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Legislative Assembly of Ontario

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Official Report of Debates (Hansard)

Wednesday 8 June 2005

Journal des débats (Hansard)

Mercredi 8 juin 2005

Standing committee on estimates

Organization

Comité permanent des budgets des dépenses

Organisation

Chair: Cameron Jackson
Clerk: Trevor Day

Président : Cameron Jackson
Greffier : Trevor Day

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LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
ESTIMATESCOMITÉ PERMANENT DES
BUDGETS DES DÉPENSES

Wednesday 8 June 2005

Mercredi 8 juin 2005

The committee met at 1532 in room 228.

ORGANIZATION

The Chair (Mr. Cameron Jackson): I'd like to call to order the standing committee on estimates. Welcome, members of the committee. We are here today because the government tabled its estimates, in accordance with the standing orders, on Tuesday, June 7. In accordance with the standing orders, we are going to do our selections and discuss any business that you may wish to raise. I'm led to believe that Monday may be our last day, so it's important that we report this to the House tomorrow, because we won't have an opportunity to have another meeting. Are there any questions from members of the committee about the process of selection?

Ms. Caroline Di Cocco (Sarnia-Lambton): Are we going to select first, or are we going to decide the time first?

The Chair: We're going to select first. Usually, we start with the order and then discuss the frequency of meeting and so on and so forth, and/or we can let the subcommittee do that if it deviates too terribly far from the process. So if there are no questions about the selection and the order of selection, then the standing orders are very clear.

Mr. John O'Toole (Durham): I do have a question, just for clarification on the sequence of the rounds. On each round, we have to fill up 15 hours. Is that all three parties or the party that speaks first? Then you could divide the 15 hours by three ministries, by five ministries or whatever.

The Chair: No. The clerk was kind enough to present the copy in front of you. I'm sorry; he didn't give you one?

Mr. O'Toole: This is the standing order here.

The Chair: This is the standing order, and you will see in 59(b)(ii): "In each round, the members of each party may choose the estimates of one or two ministries or offices to be considered." You can choose up to two for a total of not more than 15 hours. You could choose health at eight or nine hours and the Premier's office at four or five, or whichever is your interest.

Mr. O'Toole: We'd like to add Joe Cordiano's office.

The Chair: Are there any other questions? We are seeking either one or two ministries in each round, and please tell us the amount of time that you'd like for those.

The Chair recognizes Mr. O'Toole for the Conservative Party, which picks first.

Mr. O'Toole: We would select, in our first round, the public infrastructure renewal ministry. Our second choice would be, of course, the Ministry of Health. If I have to assign 15 hours, I would take health as a full eight hours, and the remaining seven would be to public infrastructure, where billions of dollars are going to be spent by the private sector in P3 initiatives, so we want to know more about that.

Interjection.

Mr. O'Toole: It's the way I read about it.

The Chair: Those are your choices? I'd now like to move, if the clerk has that clear, to Ms. Horwath.

Ms. Andrea Horwath (Hamilton East): We would like to call children and youth services and finance for seven and a half each.

Ms. Di Cocco: We'd like to call training, colleges and universities and citizenship and immigration for seven and a half each.

The Chair: So in the first round, for those of you who are keeping a ledger, if some have fallen off or reappeared on your list: Public infrastructure will be seven hours, followed by health at eight, children's services at seven and a half, finance at seven and a half, training, colleges and universities at seven and a half and citizenship at seven and a half.

Do you need a moment to think about—

Mr. O'Toole: No, I'm fine.

My next concern—a serious concern, actually—would be the 23% reduction in the Ministry of Agriculture and Food. We have to spend at least—

The Chair: Mr. O'Toole, I hate to interrupt you, but I'd really like you to save all that for—

Mr. O'Toole: For the hearings. OK.

The Chair: Yes. Nobody is going to challenge you on your selection.

Mr. O'Toole: Agriculture and transportation at seven and a half each.

The Chair: You're not choosing education, then?

Mr. O'Toole: No, I'm not choosing it. I'm expecting the ministry—it's their central theme, although there's a work-to-rule going on.

The Chair: Ms. Horwath, do you need a moment?

Ms. Horwath: No, Mr. Chairman. I will put forward education and energy at seven and a half each.

1540

The Chair: Boy, you split everything right down the middle, don't you?

Ms. Horwath: Equity is one of the principles of our party.

Mr. O'Toole: Equity is not the same as fairness.

The Chair: You're doing just fine without the assistance of a male member of your caucus.

OK, Libs, the governing party has the final round.

Ms. Di Cocco: Tourism and recreation and northern development and mines.

The Chair: Time?

Ms. Di Cocco: My understanding is the rules say that it's, what, seven and a half each or—

The Chair: No, any combination up to a maximum of 15. The very first ones Mr. O'Toole picked were public infrastructure renewal for seven hours and health for eight.

Ms. Di Cocco: OK. We can only have two, or does it matter?

The Chair: Only two, unfortunately.

Ms. Di Cocco: OK, then. Seven and a half and seven and a half, please.

The Chair: OK. Does everybody have the list, or shall I read it out for the record? All right.

First will be public infrastructure renewal for seven hours. Second will be health and long-term care for eight hours. Third will be children and youth services at seven and a half hours. Fourth will be finance at seven and a half hours. Fifth will be training, colleges and universities at seven and a half hours. Sixth will be citizenship and immigration at seven and a half hours. Seventh will be agriculture and food at seven and a half hours. Transportation will be number 8, seven and a half hours. Number 9 will be education, seven and a half hours. Ten will be energy at seven and a half hours. Eleven will be tourism and recreation at seven and a half. Northern development will be 12, and it will be for seven and a half hours.

Any questions? I call the vote.

All those in favour? Opposed, if any? Carried.

Shall I report these estimates and their order to the House?

All those in favour? Opposed? Seeing none, carried.

Any new business of the committee?

Let me introduce two absolutely wonderful people, our researcher David McIver, and our Hansard assistant, Peggy Brooks.

David is here because if you need assistance with some research or some information, or if you have requests of ministers, once these are filed with the House and tabled, then you are free to begin the process of seeking information. If you need assistance, David is here to help us. That's why the service is here; use it, if you so choose.

Any other questions—and I can raise some new business.

Mr. O'Toole: We won't be sitting until the fall, or what?

The Chair: You didn't bring a copy of the letter, did you? Yes, you did. You didn't? OK, that's fine.

About a month ago, I wrote a letter to the three House leaders requesting—let me back up. It had come to my attention that we were proroguing and that the government wasn't coming back in accordance with the House calendar. In fact, it was going to come back after Thanksgiving. So it will be the Tuesday following Thanksgiving. I think that's October 14, if memory serves me correctly. That would shave three weeks off the normal meeting time for this committee. I wrote to the House leaders requesting, as I've done many times in the past, additional sitting time during the intersession. I requested two weeks, about eight days, so it'd be Monday through Thursday. In all likelihood, that would be in September, not in July or August, being mindful of the ministers' need to have a vacation—and that of the committee members, for that matter, but more importantly, the ministers'. They historically have appreciated if they're not disrupted in that period in July and August. That is given to you for information. I have nothing to report, in an absolute fashion, in terms of whether or not we've been granted it, but I'm led to believe that we will get our two weeks.

Historically, we start at 9 in the morning and go until 4, but we can go until 5. It's up to the committee, but we can play that by ear. The reason I say that is that if we've got one hour left on a given day, what I've done as Chair is said, "OK, let's take a half-hour lunch"—and the government may want to take 20 minutes off, and we'll negotiate, and then the minister and everyone else doesn't have to come back the next day. Historically, I've appreciated that flexibility, out of courtesy to the minister, in particular, because it really is difficult sometimes to have to come back just for an hour or two.

That's by way of explanation. Any questions?

Interjection.

The Chair: Well, we don't know an actual date. We'll be notifying each of the ministries, obviously, and they'll read it in Hansard, but we will officially notify them through our clerk's office and wait until the House leaders know. This will all reveal itself, either tomorrow or Monday, when we table the motion, because House leaders will have agreed to that by then. I don't think we need a subcommittee meeting, but if anybody feels strongly about it, I'd recommend we do a conference call and just do business that way. It's worked in the past. If there are any concerns, we'll do it that way, but otherwise, we'll all go to Hamilton, my old hometown, and have a meeting there.

Ms. Horwath: Great idea.

The Chair: Yes. Any other questions? Any other business for the committee?

Mr. O'Toole: I'm a little concerned. I just want to put this on the record, actually. I'd referred Bill 137 to this committee—Ms. Di Cocco, I think, is the point person on this—and several times found very questionable excuses for not meeting. On three occasions, I think the clerk was contacted. I want this on the record, as I'm very disappointed that bill was denied public hearings on a very

important public policy issue. With that, I would move that the meeting be closed.

The Chair: Duly noted.

Ms. Di Cocco: I would suggest that—

Mr. O'Toole: I know you were just doing what you were told.

Ms. Di Cocco: No. I would suggest that the member does not understand some health issues that I was dealing with. Before you said, inappropriately—

Mr. O'Toole: It's not personal.

Ms. Di Cocco: Well, you suggested that they were questionable. I just want to reiterate that, unfortunately, I wish they weren't health reasons and I wish that maybe it had been for other reasons.

Interjection.

The Chair: OK, John. Look, let's—

Mr. O'Toole: It's not personal. Don't try to make it sound like that.

The Chair: However, if we could maybe deal with the business at hand, we do have a bill referred to this committee. If you're asking what the current status of it is, if you have a motion, Mr. O'Toole, to deal with that, then you can raise. But hearing none, I will—

Mr. O'Toole: Chair, if we're going to make it that way, a note was sent. The clerk was quite advised; I had spoken with the clerk. I find it an affront and I find it

insulting to have it implied that I was personally attacking you. Your committee, your House leader knew. They denied attendance to that committee—not you personally; that has nothing to do with it.

My point is this: There are four members sitting over there. That bill was doing nothing more than receiving public hearings. To be treated that way, in a high-handed, disrespectful way, I find to be less than parliamentary. I find that attitude, that somehow I'm an insensitive beast and everyone else is above reproach, unacceptable and typical of your treatment of opposition and third-party members.

I'm very discouraged by this process. I hope this is required and recorded, because you knew quite well—that bill, Bill 137, was very high up on the preference list and now, thanks to your—I would say “barrier”—creating an artificial barrier, it denies the people of Ontario a benefit. And I'm being treated like somehow I'm the insensitive person. You should look in the mirror at who is really insensitive on this thing.

The Chair: I'm not hearing a motion at the moment. Hearing none, and hearing no other business for the committee, this meeting is adjourned.

The committee adjourned at 1550.

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Legislative Assembly of Ontario

First Intercession, 38th Parliament

Assemblée législative de l'Ontario

Première intersession, 38^e législature

Official Report of Debates (Hansard)

Monday 26 September 2005

Journal des débats (Hansard)

Lundi 26 septembre 2005

Standing committee on estimates

Ministry of Public Infrastructure
Renewal

Comité permanent des budgets des dépenses

Ministère du Renouvellement de
l'infrastructure publique



Chair: Cameron Jackson
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STANDING COMMITTEE ON
ESTIMATESCOMITÉ PERMANENT DES
BUDGETS DES DÉPENSES

Monday 26 September 2005

Lundi 26 septembre 2005

The committee met at 0914 in room 151.

SUBCOMMITTEE REPORT

The Chair (Mr. Cameron Jackson): Good morning. I'd like to call to order the standing committee on estimates. I'd like to welcome everyone. Before we begin our first ministry in rotation, as required by the direction from the House, we have a subcommittee report that needs to be approved. That document is in front of you.

For purposes of Hansard, the subcommittee report briefly states that the recommendations that were made by the subcommittee at their meeting of July 5 were that the committee meet from September 26 to 29 and from October 3 to 6, 2005, to consider the 2005-06 estimates of certain ministries, as authorized by the three party whips.

Further, that the meetings be held from 9 a.m. to 12 noon and from 12:30 till 4:00, and that the committee clerk, in consultation with the Chair, be authorized, prior to the adoption of the report of the subcommittee, to commence making any preliminary arrangements necessary to facilitate the committee's proceedings.

I need a mover, please. Mr. Levac. Seconded by Mr. McNeely. Thank you.

Any discussion? Seeing none, I call the question. All those in favour? Opposed, if any? It's carried.

There is one other matter that the subcommittee was to discuss. A memo was sent to each party whip and to every member of the committee dealing with the attendance of additional ministers during the course of a single ministry presentation. The estimates of an individual ministry sometimes have as many as three different ministers involved. I was hoping to get some consensus from the committee in terms of how we will order up the ministers for their attendance and their participation, and in particular how we best manage the half-hour time slot allocated for ministers. I will entertain a very brief discussion. I'm looking for direction. If not, we'll leave that up to the discretion of the Chair.

Ms. Caroline Di Cocco (Sarnia-Lambton): I believe we called up the Ministry of Citizenship. Mr. Colle is the new minister—I believe that it was citizenship, right?

The Chair: That is correct. I'll read right from the memo: "[D]uring the committee's consideration of the estimates of the Ministry of Citizenship and Immigration, questioning may arise that could require the attendance

of the minister responsible for seniors and the minister responsible for women's issues, whose estimates appear under the Ministry of Citizenship and Immigration."

The direction I'm seeking from the committee is the manner in which we will send an invitation to all three ministers. I want to make sure everyone is aware that we will be voting on those issues. We cannot separate those secretariats out from the main estimates. We will be called upon to vote on the estimates of the office responsible for seniors and we will be voting on the estimates of the office responsible for women's issues; therefore, we will ask the ministers to be in attendance. We will attempt to accommodate their time frame so they're not sitting here the entire time, but I can manage that as the Chair. Where I need direction is, I don't want three ministers sitting out there trying to determine how much of their half-hour they should be given.

Ms. Di Cocco: Would it be possible that the Minister of Citizenship, as scheduled, be here and have the discussion for the half hour, then if the committee has written questions or has questions particular to the minister responsible for women's issues or for seniors, then that person can be given, let's say, some time in the afternoon to attend? Would that be possible to arrange? That way you can get the crux of the matter with regard to citizenship in the morning.

0920

The Chair: We can accommodate the presence of additional ministers. I'm really looking for a ruling. We've had one precedent only, and that was that they divided the time evenly between the two. In my view, as the long-standing Chair of this committee, that may be difficult when you've got three or more ministers.

I'm sensing from your suggestion that we allow the lead minister to take his half-hour in rotation and then we attempt, for any sub-ministers who are involved in the estimates, to find time accommodation for when they can be before the committee to answer any questions. Is there agreement on that?

For the record, I have done this in the past: If there are no questions and their attendance is not required, I think it's inappropriate to make them and their staff sit here the whole time.

Ms. Di Cocco: I agree.

The Chair: OK. Then is there any suggestion counter to the proposal? Hearing none, that then becomes the direction for this committee. I will accept that as a

motion from Ms. Di Cocco, seconded by Mr. McNeely. Any further discussion? Seeing none, all in favour? Any opposed? Carried.

That concludes the subcommittee reports and the committee's preliminary business.

MINISTRY OF PUBLIC INFRASTRUCTURE RENEWAL

The Chair: And now, live, I'd like to welcome the Honourable David Caplan, Minister of Public Infrastructure Renewal. Minister, you begin our estimates. You have seven hours. The first half-hour is yours. You have up to 30 minutes to make your presentation. We will then go in rotation. The official opposition will have up to 30 minutes, the third party will have up to 30 minutes and then you will have up to 30 minutes for a final closing commentary or response—I don't want to call it a rebuttal; I'd rather call it a response—and then the committee will complete its seven hours.

Minister, we're in your hands. Welcome.

Hon. David Caplan (Minister of Public Infrastructure Renewal, Deputy Government House Leader): Good morning, Mr. Chair and members of the committee. I'm delighted to be here. I'd also like to take the opportunity to introduce the gentleman seated to my left, Geoff Hare, Deputy Minister of Public Infrastructure Renewal. If required, we do have some staff members here. If you have technical questions requiring their specific expertise, they are here and available to committee members to provide answers.

I want to thank the committee for the opportunity to appear before you today. I will try to keep my remarks within the deadlines that you have set, Chair.

The function of this committee is oversight: You review spending by government ministries to ensure that we spend the public's money in the public interest. I want you to know that I fully support that endeavour. I believe in transparency and accountability in government, and my officials and I will do everything we can to answer your questions fully and frankly.

When the McGuinty government came to power two years ago, we saw ourselves, and Ontarians saw us, as agents of change. We came to office with the conviction that we needed to do government differently, that we needed to change the way that the public affairs of Ontarians are managed. One of the most important of those changes is a new way of looking at public spending and especially public investments in infrastructure projects.

We view our infrastructure investments as a means to achieve the specific economic and social objectives that people want: better roads and transit, better schools and educational opportunities, better health care, and a more successful and prosperous society. They are a means, not an end, but the means need attention.

I have spoken before about the urgent need to renew our public infrastructure. For many years, governments at all levels have neglected this critical element of our society, and that neglect is now apparent to all: Roads

and bridges are crumbling; universities and colleges are straining to accommodate the crush of new students; water and sewer systems need to be modernized; many of our hospitals and health care facilities are out of date and overcrowded; and we must also prepare now to accommodate the millions of new people who will settle in Ontario over the next quarter-century. It has become clear that the traditional methods of public infrastructure financing are not enough to meet these needs.

This is our fundamental premise: that infrastructure investments are a means to advance social and economic goals, not an end unto themselves, and that we have to find better, more efficient and more cost-effective ways to create and manage those investments.

We've spent the first two years of our mandate consulting and planning carefully and thoroughly how we will do that. Now we can begin to build on that foundation and implement those changes. We are at the beginning of a renaissance for public infrastructure in this province, at the point where our public facilities begin to be restored and our infrastructure begins to be renewed and expanded. I must say, Chair, that this is an exciting time. We've had many successes to celebrate and many more to come.

I want to spend my time this morning describing some of the initiatives we have begun in the Ministry of Public Infrastructure Renewal and some of the results we expect to see from those initiatives in the years ahead.

I want to begin by talking about three related issues: first, the growth we expect in Ontario and how we can properly accommodate it so that it serves us, and not the reverse; second, the specific infrastructure strategy we have developed to accommodate growth and repair past neglect of our public assets; and third, the mechanisms we are developing to manage our infrastructure investments for the greatest public benefit and, importantly, how we will pay for them.

Let me start by directing your attention to the question of economic and population growth and the steps we are taking to plan for it, accommodate it and benefit from it. Simply put, growth is important to us. It creates jobs, it fuels economic activity and it offers the prospect of a better life for our children and grandchildren. It does all of those things if it is properly managed. If it is not managed, it presents a threat to our quality of life: the threat of urban sprawl and unbearable congestion in areas where unmanaged growth occurs; the threat of economic stagnation and depopulation in areas where growth is urgently needed.

The government is dealing with those issues through the Places to Grow Act, which municipalities initially called for and the Legislature adopted earlier this year. The growth planning process embodied in the act encourages broader, more comprehensive planning that links land use decisions to future infrastructure needs. It gives us new mechanisms to deal with broader planning issues that often transcend the interests and the boundaries of individual municipalities, and it offers tremendous new economic advantages and business opportunities.

Between now and 2031, some 25 years from now, our population is expected to increase by more than four million people and our economy, it is estimated, will generate close to two million new jobs. We welcome these newcomers. They are the key to our economic success. But a very large proportion of them, more than 85%, will settle in this area we call the greater Golden Horseshoe. In fact, the greater Golden Horseshoe is one of the fastest-growing regions in North America.

Past governments treated this kind of rapid growth with a sort of laissez-faire neglect and, as a result, unplanned growth and urban sprawl determined the development of an entire region. We are literally paving over paradise. The problems with this ad hoc approach are now obvious: Traffic is gridlocked, air quality is getting worse, farmland and green space are vanishing, and public infrastructure is worn out and inadequate.

That is the nature of our challenge in southern Ontario, but in other parts of the province, many communities are experiencing the out-migration of their young people and a declining property tax base that makes it difficult to maintain necessary services. In these communities, the challenge is not to control growth but to stimulate more of it.

Chair and members of the committee, the Places to Grow Act is enabling legislation. It allows the province to create a growth plan for any specific region. Because the greater Golden Horseshoe is the area where the need for growth management is greatest, it is the area where the first, but certainly not the last, growth plan is being developed. We know from a wide variety of studies that low-density urban development and sprawl increase the cost of infrastructure and reduce the effectiveness of capital investments. We don't want that, and resources are so scarce we can't afford to do it. Growth planning will enhance our competitiveness and prosperity by ensuring we have the right infrastructure in the right places to encourage economic activity and create more and better jobs.

The advantages of these measures are becoming increasingly apparent to all. The Ontario Professional Planners Institute, the Urban Development Institute, the city of Toronto, the Ontario Smart Growth Network and even the Greater Toronto Home Builders' Association all believe, as one put it, that our draft growth plan for the greater Golden Horseshoe "is a landmark step toward ensuring the future prosperity of this region." So we are encouraged that our plans to accommodate growth and benefit from it are sound.

0930

The next question, though, is: How will we implement those plans? How will we manage the physical infrastructure projects that make it real? That is the subject I wish to address next.

Earlier this spring, the Ministry of Public Infrastructure Renewal published ReNew Ontario, the government's plan for infrastructure investments over the next five years. There has never been anything quite like this in Ontario before. It is a strategic plan for investments in

public infrastructure worth \$30 billion by the year 2010, and it shows how we will co-ordinate our infrastructure investments with the government's and, indeed, the public's broader social and economic goals.

There was a time when the government of Ontario, like most governments, made decisions about capital projects year-by-year and piece-by-piece. We don't do that any more. When you consider public infrastructure projects to be a means to address social issues rather than as ends in themselves, you have to plan much more carefully and over a much longer period of time. Now we co-ordinate our investments across the whole of government and the broader public sector, and we plan our investments, not year-by-year but far into the future.

That's what the five-year infrastructure plan does. It provides the blueprint we will follow into the future. It coordinates virtually all major public sector investments in infrastructure. It directs the bulk of those investments in the areas that Ontarians say are the most important: health care, education and economic prosperity. And it encompasses both the need to restore the infrastructure that we have now and to build new facilities to accommodate future growth through a rational, coherent strategy—the first of its kind in the history of Ontario.

For example, we know that demands for health care will increase as our population becomes older. In the year 2000, 13% of Ontario's people were over 65; by 2025, it's estimated that 23% will be seniors. These citizens will need modern, effective care, and they will need modern facilities to be able to provide it. But our hospitals are also aging. They must be renovated, brought up to date, and expanded to accommodate growing case-loads, and new facilities must be built. So ReNew Ontario identifies \$5 billion of investments for health care. Some 105 health care projects will begin or be completed during the next five years.

Some of those projects have already been announced, and more will be announced in the coming weeks and months ahead. We are now moving forward with projects that have been stalled for years and, in some cases, stalled for decades. In Stratford, for example, we recently announced hospital funding under ReNew Ontario for the Stratford General Hospital. It will allow the community to complete a project that has been planned since 1989, in a hospital that is more than 50 years old.

People in every part of the province are benefiting from these ReNew Ontario investments, not just hospitals. We know that good infrastructure and, especially, good transportation systems are absolutely essential to sustain our economic prosperity. So ReNew Ontario provides for investments totalling \$11.4 billion in transit, highways, and border-crossing infrastructure.

Just three weeks ago, my colleague Transportation Minister Takhar announced one important component of our transportation investments: \$1.8 billion in funding for highway improvements in northern Ontario. Our northern transportation infrastructure plan identifies construction and enhancements for nearly 200 bridges and more than 2,000 kilometres of highway, as well as—at long last—a

firm plan, a realistic plan, to complete expansion of Highway 69 and Highway 11 to four lanes. One of our colleagues, the member from Nipissing, Monique Smith, told her hometown newspaper that the expansion had been promised when her father held the riding as the member for Nipissing, starting in 1965. That's 40 years ago. Improving these two highways has been the northern dream for two generations. Now, at last, it is happening, and ReNew Ontario is the vehicle that is making it happen.

We are seeing similar investments to get projects moving in education, where ReNew Ontario outlines investments of \$10.2 billion over a five-year period, and in the justice sector, where more than \$1 billion will be invested. And ReNew Ontario contains almost \$1 billion for initiatives to support clean water and the environment. These are strategic, long-term investments, and they have a long-term payoff. They translate into greater success for students, stronger communities, greater opportunities for working families, better jobs and economic growth for the entire province.

Members have been critical of the government for taking too long to plan our next steps and have complained because they have not seen shovels in the ground. But I would say to you, Mr. Chair, and to all members of this committee: The shovels are going in the ground now, and the planning has paid off in carefully chosen and well-thought-out projects that will produce real assets and real results.

It's one thing to plan; it's something else entirely to implement those plans and to manage the process in an effective, successful fashion. In general, all governments have an uneven record for common sense management of large-scale infrastructure projects. We have good intentions, always. But sometimes projects are late or over budget, or simply not appropriate—or all three. So we have developed an overarching set of principles to guide our infrastructure decisions, principles that protect the public interest and guarantee value for money. The result is a dramatic transformation of the process we use to plan, finance, procure and manage public infrastructure.

The details of this transformation have been published in a document called *Building a Better Tomorrow*. At PIR, we usually refer to it as "the framework." It is a set of policies and procedures that will govern every infrastructure project in which there is a substantial investment by the province. The effect is to transform an ad hoc, seat-of-the-pants way of doing business into a standardized process that is predictable, rational, coherent and fair. Instead of evaluating every suggested development in isolation, we now have a tool that will allow us to consider these proposals in comparison with other projects and in the context of the government's broader social objectives to create a society that is healthier, better educated and more prosperous.

Chair, I want to indicate that this is the actual document. It is located on the public infrastructure renewal ministry Web site. I encourage members of the com-

mittee and members of the public to please take a look at it.

The basis of the framework is a set of five principles that govern all infrastructure projects where the province has a significant interest. These are the principles:

(1) Protection of the public interest: Each project we invest in is intended to benefit the people of Ontario and to contribute to the well-being of people in the community. Everyone involved in the project must agree that it is the public interest which comes first.

(2) Value for money: Regardless of the method of financing it, the people of Ontario will ultimately pay for every project. So all decisions affecting the facility, from its design and construction to its ongoing operation, must reflect the fundamental principle of value for money. Investments must be cost-effective, optimize risk allocation and be completed on time and within budget.

(3) Appropriate public ownership and control: Appropriate public control and ownership of public assets must be preserved. In particular, public assets in the hospital, water and sewer, and public school sectors will always be publicly owned.

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(4) Accountability: Public infrastructure initiatives should have clear lines of responsibility and accountability; rigorous and transparent reporting; and clear, objective performance measures.

(5) Fair, transparent and efficient processes: All public infrastructure initiatives must have efficient and fair bidding processes and be subject to audit as required by the Auditor General of Ontario. All relevant project documents shall be available to the public.

Those principles ensure that the projects we undertake will serve the public interest. They will also guide the most important question we face: How will we pay for the infrastructure we need?

I want to talk now about how we're going to finance these infrastructure projects and about the process we have developed to protect the public interest. We call these alternative financing and procurement strategies, or AFP.

Before I begin, I want to establish the context in which our investment decisions are being made. Let me start with the massive infrastructure deficit we face here in Ontario in 2005. First, let me outline some recent estimates of the need for investment in public infrastructure, not just Ontario government estimates but those of agencies directly involved in building infrastructure and providing public services.

At the municipal level, for example, estimates of the municipal infrastructure deficit range from \$1 billion to \$4 billion per year over the next five to 10 years, according to the Municipal Finance Officers' Association of Ontario. The Municipal Roads Coalition estimates that Ontario municipalities need to double their annual investment in roads to \$3 billion per year to address the backlog in municipal road repairs. The Ontario Good Roads Association estimated in 2002 that municipal road and bridge investment needs are \$5.75 billion.

Provincial highways also require investment. The Federal-Provincial Task Force on Urban Transportation estimates that provincial highways need an investment of approximately \$18 billion over the next 10 years.

We must also invest in public transit, of course. In February 2004, the Canadian Urban Transit Association estimated that Ontario needs to invest \$10 billion in public transit for the period from 2004 to 2008, a third of that just to return existing assets to a state of good repair or for infrastructure renewal needs.

We also have to invest in education. The Rae review recommends that we need to invest \$0.5 billion per year for the next 10 years—\$5 billion in total—in post-secondary institutions. The investment we need for elementary and secondary schools to fix decaying facilities and build new schools is also an urgent policy priority. In 2004, the Good Places to Learn initiative, undertaken by my colleague education minister Gerard Kennedy, estimated that between \$5 billion and \$9 billion will be required for repair and rehabilitation of Ontario's schools.

Of course, we must repair our water and wastewater resources. The expert panel we appointed to advise on that issue estimates the need for water and wastewater investment over the next 15 years will be from \$30 billion to \$40 billion. Our best forecast of the need is \$34 billion, including \$11 billion in deferred maintenance and \$9 billion for growth.

Finally there is health care, the subject of most of the discussion about alternative financing methods. In their 2003 technical study, Capital Planning and Investment in Ontario's Hospitals, the Ontario Hospital Association estimated that between \$7 billion and \$9 billion is required over the next three years to meet the needs of an aging population, program growth, hospital renewal and investment in equipment.

I think, Mr. Chair, you can catch my drift. To paraphrase a departed federal politician, "A billion here, a billion there; pretty soon you're talking real money." We—and by "we" I mean the entire public sector, at a variety of levels—need to invest massive amounts of money in public infrastructure, and we need to begin those investments immediately. What we are ultimately talking about is maintaining the quality of life that makes Ontario literally the best jurisdiction in the world to live in.

Simply put, state-of-the-art health care cannot be delivered in antiquated hospitals, modern justice cannot be dispensed in dusty courthouses, a speedy economy is slowed by potholes and congestion, and the brightest minds cannot be illuminated in dingy classrooms. Our best estimate of the need is more than \$100 billion over the next 30 years. I have come to believe, that estimate is low—perhaps extremely low.

There are two points I want to make about this. First, the present government did not create this enormous infrastructure deficit in the 723 days we have been in office. It took years—in fact, decades—of disinterest, neglect and dereliction before we got to this point. Now the need for investment is not only larger than this government can manage alone; it is greater than any govern-

ment can manage alone. Second, the solution to fixing this problem is not to use the very same methods that got us into this situation in the first place. That is why we are using alternative financing and procurement strategies, or AFP, to start clawing our way out of the massive infrastructure deficit we find ourselves in. This deficit is as threatening to our economy and to the quality of our lives as any sizable budgetary deficit, and for that reason alone we, as a government, are committed to slaying both the budget and the infrastructure deficit beasts that threaten the real way our quality of life is enhanced.

Our AFP strategies are based on a framework of principles that will, above all, ensure that the public interest is protected. Working cooperatively and in partnership with municipal and federal governments and the private sector, AFP strategies leverage the strength of working collectively toward the same common good, such as:

- negotiating cost-share agreements such as COMRIF, the Canada-Ontario Municipal Rural Infrastructure Fund, with government partners to build critical infrastructure in rural areas in northern Ontario;

- providing low-cost loans to municipalities through loan pools such as OSIFA, the Ontario Strategic Infrastructure Financing Authority, to assist communities to get on with the job of rebuilding the province; and

- leveraging private sector financing and expertise in project management to deliver larger scale infrastructure projects on time and on budget.

A diversity of AFP strategies are being used to tackle a broad range of infrastructure challenges. Let me give you a few concrete examples.

The province has partnered with the federal and municipal governments to deliver a gas tax rebate to fund local transit infrastructure. After years of being starved, public transit systems in Ottawa, York region, Kitchener-Waterloo and Toronto, just to name a few, are being revitalized. When people move efficiently, the economy moves, and when people move on public transit, the environment benefits.

Another example: The Toronto waterfront, long a site of political turf wars and dulled by petty bickering, is finally being polished into the crown jewel that it aspires to be. Based on a partnership with the city of Toronto, the federal government and the Toronto Waterfront Revitalization Corporation, the waterfront is finally moving from years of planning to years of building. We've been working hard to resolve the stubborn governance issues that have delayed progress for so long, and I believe we can begin to talk about real progress. A memorandum of understanding has now been signed that clearly defines the roles and responsibilities of each organization in the west Don lands revitalization process. We will also be proposing amendments to the Toronto Waterfront Revitalization Corporation Act in the fall legislative session. If passed by the Legislature, they will make it easier for the corporation to move forward with waterfront projects.

All three levels of government have now agreed to a 10-year business plan which provides a comprehensive

waterfront-wide revitalization strategy. We are making progress, not as quickly as we would like but not as slowly as in the past. Bit by bit, the Toronto waterfront is beginning to become what it has always had the potential to be: a source of pride for the city and an engine of economic growth for us all.

We have also established a water strategy expert panel to recommend the best ways to work with municipalities and the water sector to replace the pipes and sewers that provide us with clean water and sanitation. The tragedy of Walkerton taught us an important lesson, and the expert panel has done the homework. The province's water systems need at least \$30 billion worth of investment over the next 15 years to ensure that every Ontarian has access to safe, reliable, affordable and clean water. We are currently reviewing the recommendations of the panel and are preparing to respond with a series of policy initiatives that will see the province's infrastructure—long out of sight and out of mind—renewed. As stewards of the public trust, we—the province, municipalities, the water sector—can do no less than this. Water is the very essence of life, and perhaps because of the fact that we have taken it for granted, Walkerton taught us that there is more to water than simply turning on a faucet. We will ensure that the lessons of that tragedy are not forgotten.

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Of course, health care: Some of the most exciting advances in infrastructure are currently happening in our hospitals. We have launched the single biggest expansion of public hospitals in well over a generation. Over the next five years, \$5 billion will be invested in hospital infrastructure, kick-starting a long-overdue renewal of public health facilities in this province.

With the average age of hospitals in the province over 40 years old, the need for investment exceeds the capacity of any single order of government to build the facilities we need in a timely fashion, using traditional methods. We are faced with the choice, then, of delaying construction or changing the method we use to finance, procure and oversee public infrastructure. For us, there was no choice.

Health care is one of our most cherished public services, and we will do the right thing and the responsible thing and invest in hospitals and in communities. In short, we have launched a renaissance in health infrastructure that will ensure that Ontarians have continued access to modern health care and publicly owned, publicly controlled and publicly accountable hospitals.

A few weeks ago, I had the privilege of accompanying Premier McGuinty to Sault Ste. Marie, where we announced the approval of a 289-bed community hospital. This hospital will be built using one of our AFP strategies. In this instance, we will work with the private sector consortium, the hospital board and the local community to turn a long-held dream of a new hospital in Sault Ste. Marie into a reality.

The private sector consortium will raise the money, build the facility and turn it over to the hospital board, which will then pay for it over a period of years in

exactly the same way as millions of Ontarians pay the mortgage on their homes. The private sector consortium will also be responsible for ensuring that the hospital is well maintained over the long term.

This alternative financing arrangement will not affect public ownership of the hospital. It will not result in a displacement of the workers, because there is no change in the hospital's labour agreements, and the project will be completed on time and on budget. If it isn't, the private sector will pay, not the hospital or the government.

The people who run the hospital, the people who will work in it and the people it will serve are delighted at the prospect of finally getting the care they need. One of the physicians, Dr. David Walde, the head of oncology, told his local newspaper—he didn't say this to us; he said it to the community—that my colleague the Minister of Health, George Smitherman, deserved a medal for finally pushing this project through. Dr. Walde had wished the Minister of Health were there so that he could say that to his face. Well, Minister Smitherman couldn't be in Sault Ste. Marie that day because on that day he was at Sick Kids Hospital here in Toronto, announcing the approval of another hospital project.

We cannot allow ourselves to be put in the position of choosing between providing adequate health care facilities for sick children in Toronto or the people of Sault Ste. Marie. Simply put, we have to do both. It isn't a choice between building with traditional financing or building with alternative financing. It is a choice between building now or not building for many years to come. I am convinced that building now is the right choice, the right thing to do.

I began my remarks by promising to honour your deadlines. I'm afraid I've allowed my enthusiasm to carry me slightly over time. So I will stop now. I am eager to hear what the committee members have to say and to respond to your questions. Thank you very much.

The Chair: Very well. Thank you, Minister. Your time was almost perfect.

Mr. O'Toole, you can lead off with half an hour.

Mr. John O'Toole (Durham): Thank you, Minister, for appearing before the committee. I'm always puzzled about how governments take time to develop different terminology for the same thing, technically. I commend in many ways what you're doing: sort of following along the template developed under the SuperBuild model, which was integrating the capital expenditures on behalf of the people of Ontario. It took you a little time to distance yourself from the name, but basically it's the same function, and that's a compliment to you. Imitation is always flattering, really.

A couple of things: I have difficulty trusting anything that your government says, ultimately. Without being too harsh, the continual looking in the rear-view mirror while you should really be looking forward is somewhat problematic. Yes, two years for reviewing capital needs is certainly very important, but the AFP, alternative financing and procurement: That's kind of an interesting turn of events there. If you look at it, on page 31, would you

suggest, in your response when I'm finished, that that's basically—what you promised during the election is that there would be no private, and now it turns out that it's all private.

I, for one, understand how that financing aspect works, to some extent anyway; I wouldn't profess to have total expertise at all. But I have seen that they raise the money somewhere. The government has no money. Basically, it borrows it from someone and pays it back, as you've described, in a mortgage. It's good to see that you're finally being honest about that. I can remember my time on council, and many other members here as well. Mr. Rinaldi actually was mayor of a municipality. He worked with the commerce grants and other grants that built infrastructure, whether it was water and sewer, roads, bridges or other kinds of projects that they determined that in their priorities were important. But now I'm seeing it in the hospital sector and the health care sector. I guess the thing is to be honest and say you've broken a promise. That's fine; we understand that. That's your legacy, really. But at least now you've somehow changed—I think the NDP did an excellent job in terms of pressing you in the House to be honest about it. But I've seen it in other things, like your continual wrangling and wasting taxpayers' money on reviewing the 407 project. I personally don't use the 407, I find it expensive, but there is an alternative and that's the 401, and that's why I was late this morning. But there needs to be money spent there; that's for sure.

If I were to look at the commitment you're making—under SuperBuild I think it was \$20 billion. When we were dealing with the post-secondary, the double-cohort effect was the largest capital expansion of facilities at the post-secondary level in the history of Ontario. So if you're reflecting that we left this large deficit, if you want to look far enough back, you could almost start with David Peterson. In fact, you can start with your mother, Elinor Caplan—excuse me: Minister Caplan at the time. I remember being a councillor in the region of Durham and her announcing the expansion of the cancer centre back in, I believe, 1989. So we're all very familiar with it, and as long you say, "Looking in the rear, we should learn from the past to not repeat it in the future," we'll hold you to these very high standards.

The other thing, on the water part: I'm just wondering how that's going to work out, because in Durham we're in the midst of building a large sewage treatment plant and improving water services. But I'm also aware that in your legislative initiatives they're actually going to pass all this on through the bill. So now water will be safe, reliable and unaffordable. You mentioned in your proposal that it was a necessity of life. I couldn't agree more.

I've talked about the hospital sector and the clarification there and the private hospitals going forward. On the Peterborough hospital, I'd like to see how you're going to complete that without it being a P3, as well as a few other ones that I could mention. But also in the school system itself, I want to know specifically, in my riding: Is the University of Ontario Institute of Technology, a very

ambitious capital plan, going to have access to some of this post-secondary money that you said is, I think, half a billion a year? I will leave that as a statement right now and ask if you'd like to respond specifically in the health care sector. But keep in mind that there's the capital that you're committing to.

I know when we went through the Health Services Restructuring Commission, looking at the reorganizing of all the hospitals, I think some 230 hospitals in the province, as well as the new medical school that's soon to be announced by you but was started by us—which is good; we need it. We need that infrastructure for training.

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The big problem, though, in all this was that the operational budget at those facilities doubles in many cases. I think at Lakeridge it's around \$200 million, and I think it goes to about \$400 million when it's fully operational. In all the hospitals, with the new technology, the furnishings, the MRIs, the CT scans, all these various e-health initiatives, there are huge price tag issues on the operational side. You're running a deficit now, because really your inability not just to keep your promise—I don't know where the \$2.5 billion, \$3 billion in health tax is actually going. We've had that session in the House and no one seems to know, including the government, except that it's going into a larger deficit. With all the capital, do you see a larger impact on the operating budget? That's sort of question two.

Then your commitment to public transit: I've suggested in Bill 137 a more direct method of supporting and encouraging the use of public transit to address the gridlock that I encountered this morning, and maybe other members did too.

I don't think I've been too harsh, Minister. I do appreciate your being here. I leave the people listening and reading this transcript with this: Why should they trust anything that the McGuinty government says? Most of the stuff is pushed beyond the next election, in 2007; most of it is 2008-09 stuff; like, "Trust us again"—"trust" is the key word here—"and we'll get it to you just in time. Now, it won't be just the same. It'll be private. We're calling it AFP, but it's private." That will be in hospitals, in schools, in universities, in bridges, and that's absolutely everything you criticized when you were the opposition.

You can respond now. I think I'll just stop there, because it's a bit of a rant. You've got a bit of time left.

The Chair: I'm seeking clarification. You have up to 30 minutes. You've taken about seven or eight—

Mr. O'Toole: Seven or eight, and I'm letting the minister respond to a couple of these questions.

The Chair: You wish to engage the minister in dialogue—

Mr. O'Toole: Yes, absolutely.

The Chair: —and then that'll end in 30 minutes and then I'll recognize Mr.—

Mr. O'Toole: Yes, because I can't babble on here.

The Chair: Minister, you've been invited to respond early.

Hon. Mr. Caplan: How much time do I have, Chair? There are so many inaccuracies and fallacies that the member mentioned that it's going to take me a while to unravel them.

Mr. O'Toole: We could have a dialogue here.

Hon. Mr. Caplan: Excuse me; I'm talking to the Chair. How much time? Do I have the remaining 20 minutes?

Mr. O'Toole: No.

Hon. Mr. Caplan: I believe that's how it should work.

Mr. O'Toole: I'll clarify this.

Hon. Mr. Caplan: Chair? The member is waiving the balance of his time, and I can respond.

Mr. O'Toole: No, I'm not waiving my time.

The Chair: No, he's not waiving his time; he's engaging you in a dialogue. If you wish to, I will—

Hon. Mr. Caplan: I'm very happy to, Chair.

Mr. O'Toole, you made several points which I certainly refute and will rebut, many quite strongly. It's hard to do it in order, because there was a rather rambling nature to the comments that were made. So I will try to, as best I can. I know that both myself and the deputy made notes on many of the things.

I think you started off by saying, sir, that it's simply the same as the past practice but just different terminology. I could not disagree with you more. In the case of, say, health care, the previous government was building private hospitals in Brampton and Ottawa. As then-opposition leader and now-Premier McGuinty very clearly stated, "We will make those hospitals. We will bring them back into the public realm." I want to tell you as forcefully and directly as I possibly can that that is precisely what is happening. Where the previous government was building private hospitals, we've taken the two that were formerly private; they are now public. All of the hospitals which we're building now or in the future are going to be public hospitals.

So the terminology is not simply different but there other elements. For example, the government of the day—your government, sir—insisted on very heavy secrecy provisions, confidentiality clauses; absolutely shunned any kind of oversight. I again refer you to the Building a Better Tomorrow document. I would suggest and recommend that you or your staff or any member of this committee take a look at it, where we outline an accountability framework where third parties like the Auditor General will be able to, as is their legislative mandate, render a public value-for-money opinion; where we call for having process and oversight and fairness commissioners look at the process and not have any unfair or secretive dealings. We will have process commissioners issue public reports about how we lived up to those principles.

You referenced Highway 407 in your comments. Interestingly enough, it was the NDP government that P3'd Highway 407 and then your government came along later and completely gave up government control of a critical asset, disadvantaging literally millions of

Ontarians. Under AFP, that relinquishing of public control would not be allowed.

You also said that the template was essentially SuperBuild. Again, I think that is incorrect and inaccurate. I believe you called for half of your investment—\$10 billion—to be public and half to be private. I believe your government was about 10% successful in its desire, if that. So I don't think that even the template was correct. There was no principal framework; there was no long-term plan. I don't think the financing strategies that the former SuperBuild used were ever publicly discussed. There was no open public debate like we are now having.

The other thing you made mention of was water. Correct me if I'm wrong, Mr. O'Toole—and Chair, I stand to be corrected—I believe it was your government that introduced the Sustainable Water and Sewage Systems Act and the services investment act. I believe that was your government. I'll go back and check the Hansard, but I believe you are on record as voting for that particular measure. So your comments seem very out of step with the actions and effect of your own legislative record.

You also made mention of the Health Services Restructuring Commission. The Health Services Restructuring Commission had placed a total amount of \$2 billion on a number of projects throughout the entire province of Ontario. I hope you would acknowledge that your government had committed to completing the Health Services Restructuring Commission orders by the year 2003, prior to the last election. I can tell you that your government, through SuperBuild or through your rather ineffectual health policies, was not able to do that.

I think that really highlights the need for why change is required, why an AFP framework, guided by five fundamental principles—public interest, paramount; value for money; accountability; ownership and control; and fair, open, efficient and transparent processes—is required, why a number of different financing strategies would be required. In the final analysis—and I think they were very well-meaning plans. Whether it was the Davis government, the Peterson government, the Rae government, the Harris-Eves government or even well before that, the intentions have always been good, but the results have not followed the intentions. That's why, in order to achieve a different and better result than we had previously, a new methodology is required for planning, for financing, for project management and oversight. I think that's one of the fundamental and key differences between the former approach of the HSRC directives and our APF.

I think you talked as well about operational budgets. I regret that I can't give you a lot of insight. I know that you will be calling other ministries, and I would certainly encourage you to talk about the operating funds that will be required. This is one of the factors that we have quite significantly changed from the operating procedure previously, where there was an uncoordinated aspect and element of capital financing, capital investment and operating decisions. What we've tried to do—and I fully

acknowledge that this has eluded governments for a long, long time—is to link those in a much better and more effective manner. Should you have an opportunity to be here to question some of my colleague ministers as they come forward, you might wish to question them as to the linkage between the operations side and the capital side.

You made two other references. One was to a bill that you introduced, Bill 137. I'm afraid I don't have much information to share with you, so I'll have to await your advice and guidance on that. Of course, it is in the hands of the Legislature to determine what they wish to do.

You talked about the provincial deficit. Yes, it is true that the previous government claimed—in fact, one month prior to the 2003 vote—in financial statements coming from the Ministry of Finance that the books of the province of Ontario were in balance. I say, that has proven to be completely erroneous. A former Ontario Auditor General, Erik Peters, did a full accounting of Ontario's fiscal position. In fact, we weren't in balance; we were \$6 billion in deficit. That was a legacy bequeathed by your government, by your term in office, I think by the reckless fiscal policies that you and your colleagues—certainly Premiers Harris and Eves, the cabinets and of course the caucus of which you were a member—introduced, which brought a lot of hardship to the province of Ontario. Not only were you adding to the debt, but we were crowding out necessary investments required in education, in health care, in infrastructure, in the environment, in water—in a whole host of areas.

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So yes, we have chosen the responsible course of action. Finance Minister Sorbara, under the leadership of Premier McGuinty, is whittling down your deficit and bringing Ontario's books back into fiscal balance, but at the same time bringing the investment strategies to improve health care, to deal with wait times and establish benchmarks to make sure that Ontarians receive timely care when they need it and where they need it; to improve education, to make sure we lower class sizes, as my colleague Minister Kennedy is doing; and to have the foundations of a prosperous economy by making investments in infrastructure and by supporting—as I hope you would acknowledge, certainly as a member out in Durham—the important automotive strategy introduced by my colleague Minister Cordiano. We are not solely focused on debt and deficit but on critical public investments that will lead the way to prosperity and to improved public services, which unfortunately were undermined and badly damaged during the previous nine years.

I hope I've been able to comprehensively address your comments point by point, and I look forward to another exchange with you, sir.

Mr. O'Toole: Thank you very much, Minister. You weren't too bad, really. You're still going to the old rhetoric, unfortunately, of looking to the past. During that process of who did what and all the rest of it in terms of some of the decisions that were made back then, Gerry Phillips, Monte Kwinter and others from this side par-

ticipated during these same debates, because I was on the same committee. Mr. Phillips, to his credit—he probably should be the finance minister—basically identified that there was a shortfall. If you looked at our numbers, you could argue with some of the strategies to exit from that, but one was to deal with current assets, to deal with what was an operational deficit. I guess Mr. Peters and others—I hope there's a value-for-money audit and I hope it's received by the government.

But you made promises; that's the problem. You made promises, with someone as wise and sage-like as Mr. Phillips and Mr. Kwinter, both ministers now, saying there was a problem. I can remember that corny ad during the election, where the opposition leader at that time, McGuinty, was leaning up against a lamppost kind of thing. It may have even been raining; I don't know. He was saying, "I won't raise your taxes, but I won't lower them either," and he had that sheepish smile. Do you remember that ad? It was kind of a focus ad in terms of, "We won't raise your taxes." The very first thing you did was raise taxes about \$2 billion or \$3 billion and increase spending beyond your own ability to be reasonable.

That's what we're dealing with. You're dealing with the economy and you're dealing with quality of life. You said that in the opening of your statement. Your charge for infrastructure is mostly on the capital side and long-term, patient investment—much of which will be raised privately, you've admitted today; however you call it, David, it's the same deal—in 40 years or 30 years, whatever these contracts are.

Are these contracts public and open now? Can I get you to table those contracts today? If you say you're accountable and transparent, please provide for all members of this committee those contracts. Even during question period, in the earlier part of the year—I think Howard will probably pick up on this theme; at least I hope he will—there was some dispute as to what that really was. When do we get it back? Who pays for the maintenance? Do we owe them some exit-strategy money, or are there inflationary clauses built in for their cost of capital and other contingencies that may be built into those projects?

Let's just deal with the GTA-905 hospitals. Probably about a third of the population is serviced by those hospitals. Those hospitals are all struggling not just for new facilities, but for the new operating budgets that go along with them. You know they're saying in their formal reports that there's a huge deficit. Are you saying that all these needs are going to be satisfied?

That's in the context of another promise. Again, how can you trust anything that McGuinty says? The nurses of Ontario, the ONA, have an advertising project now, spending a great deal of money, all of which is, to some extent, public money, I suppose. But the 8,000 nurses you promised: You may have these buildings—and Gerard Kennedy and George Smitherman will be walking around with a big pair of scissors opening these things, I suppose, around election time—but there are no nurses in them. Nobody's getting any treatment.

My wife is a teacher, and there are not 20 kids in her class. This is a bunch of bunk. You're phasing it in, you're rolling it in. It comes down to trust, Minister. You have, I feel, a lot of pressure on you to diminish and devalue what previous governments have done. You've gone back as far as Frances Lankin, who actually started the restructuring of hospitals. I was on the region's health and social services committee in Durham at the time, and they had the capacity study—I think it was called the acute care study—looking at hospitals. So don't just act like you're the white knight riding in here and solving all problems, because the truth is that history will prove that what you're doing, to some extent, is completing much of the hard work done by the public civil service, and you're trying to devalue and demean the efforts of other governments.

Whether it's the service investment act on water and sewer—you're the government now. I know gas is costing more, I know insurance is costing more, I know municipal taxes are going up, I know that electricity is probably going to go up 25% or 30%. We're paying more and getting less; that's the current legacy. In fact, I can't trust anything you say, plus I'm paying more and getting less. I'm paying a health tax, which is coming down to \$700, \$800 or \$900 per person; working families and couples are probably paying \$2,000 a year more in tax. You name one thing that they're getting better; name one thing. Not the courts or the classrooms; I've told you, all that's a lot of talk.

Laughter.

Mr. O'Toole: No, it's all talk. I can tell you, in my own community there's outrage about the deficit for a multi-site hospital in Durham, the Lakeridge Health Corp. They have an operating deficit, David, of around \$20 million. You can extrapolate that across the GTA report on hospitals; I'm sure you're familiar with that. You've got the ONA telling us that they're short on your promise of 8,000 nurses. You should start with a clean sheet here and just for once be honest with the people of Ontario and say you can't do it. You made promises you can't keep in almost every sector.

I'm convinced that the investments in the economy, in terms of creating opportunities—in fact, some of the declines that I see coming are going to cause you even more problems as you get into 2006-07. You see inflationary pressures coming on stream.

I've asked you specifically here to table for the committee these contracts on the P3 projects so that we can have a third-party, clear, transparent and accountable process to evaluate what the McGuinty government is telling us once more. If I'm to learn from history at all, it would be that they'd say anything—basically anything. There are no holds barred there.

I wish you luck, because I live in Ontario too. There's no government of any stripe that wouldn't want to make Ontario a better place to live, work and raise their family. You have no higher-order principles. Your ethics and your trustworthiness are somewhat suspect. A lot of these promises are much like what I see in Ottawa: They're put off; they're poll-sensitive.

I also want you to sit here today—this is the second real question. The Peterborough Regional Health Centre: I'd like you to report to the committee; you're in charge of all capital. When will it be announced, and under what conditions will it be announced?

1020

Interjection.

Mr. O'Toole: No—it's been announced.

Interjection.

Mr. O'Toole: Baloney. Where's the money?

Interjection.

Mr. O'Toole: I've been there because my mother-in-law has been in that hospital for a week and a half. She's 86 years old, broke her hip, and it's the other hip this time. Last year it was the previous hip. But my point is, I think you had a bit of pressure in the House on that particular site. You made a flurry of announcements and they put the crane up, but there's a fence around it; there's nothing happening.

Mr. Lou Rinaldi (Northumberland): They're working.

Mr. O'Toole: "They're working." Mr. Rinaldi is very interested in that as well.

Northumberland hospital has its operational budget problems as well. It's a beautiful hospital, built under our government.

Through the Chair, perhaps I'll share a bit of my time with Mr. Rinaldi, because Doug Galt was responsible for getting the Northumberland hospital and the Thunder Bay Regional Health Centre. As well, the medical teaching facility in Sault Ste. Marie and Thunder Bay was our government. So don't stand on your white horse and claim victory on all aspects of what you've done.

Mr. Rinaldi: You closed three.

Mr. O'Toole: I didn't recall those hospitals that you're talking about, Port Hope and Cobourg—there were long-term consultations on consolidating those facilities. Yes, governments are charged with making difficult but necessary decisions. I think right now there has been a lot of talk, a lot of studies. You've referred to three or four reports, and you've said that members could look up this report on AFP or—I have it written down here; I'll get a copy of it. What was the name of it here? I'm using the time, because I don't want to give—

Hon. Mr. Caplan: I'd be happy, Mr. Chair, to have a copy delivered to Mr. O'Toole right now.

Mr. O'Toole: Excellent. For all members, because I'm sure your own caucus haven't seen it either.

Hon. Mr. Caplan: No, they took an interest.

Mr. O'Toole: They have. It's committed reading over the summer, I'm sure.

This is the final thing. I am concerned that, with an aging population, 23% of the population by 2025 will be over 65. That's pretty significant. I am familiar with the long-term-care facilities in my riding, the great expansion: 20,000 new long-term-care beds were completed, and renovations to existing sites, during our term.

I was just with a couple of the long-term operators this past week. You've frozen the per diems there. The oper-

ational costs are starting to run into you, as I said, and they will in nurses, they will in teachers, they will in all these things in the public sector. Much needed, much valued; I'm not being critical. I'm saying these will be pressures such that you'll have to grow the economy faster than you're growing your operational budget. What is your plan to expand the facilities and the services that our aging and frail population are getting today? What is your plan? What evidence do I have that there is part of a plan there to enhance the programs that are being offered?

I'm told that you've frozen the per diem, and the pressures on them for operational, of course, are wages and benefits for personal support workers, nursing assistants as well as RNs. I should, in fairness, leave you a couple of minutes to respond to those couple of questions that I've had. I do say these things respectfully, because I live in Ontario, as my constituents do, and we want improved services and quality of life.

The Chair: Thank you very much, Mr. O'Toole. According to our clock, I am now recognizing Mr. Hampton for his 30 minutes.

Mr. Howard Hampton (Kenora-Rainy River): Mr. Chair, I'd like some guidance from you. I really don't want to give a speech. It seems to me that there a number of issues that need to be explored here, so I would be prefer to just ask some questions, and the minister can choose to answer them or not answer them.

The Chair: I will be guided by—the minister's response cannot really be much longer than the question, if there's a large preamble to it. I will move that forward so that we don't get two questions answered in the half-hour.

Mr. Hampton: I appreciate that.

Minister, you've announced a five-year, \$30-billion infrastructure program. How much of that will be what you call alternative financing model or alternative procurement model, or what I call private financing?

Hon. Mr. Caplan: We estimate between \$2.3 billion and \$2.5 billion over the course of five years.

Mr. Hampton: From \$2.3 billion to \$2.5 billion?

Hon. Mr. Caplan: That's our estimate.

Mr. Hampton: You don't know at this point?

Hon. Mr. Caplan: I'm not sure what you're—

Mr. Hampton: For most people in Ontario, \$200 million is a significant amount of money. You don't know—

Hon. Mr. Caplan: We have a competitive tendering process. We will know the exact dollar figures when those competitive tenders are answered by the consortia that will be bidding upon it. We provide a range as our best estimate at this point, but I want to acknowledge that we're hoping, and our goal is, to achieve the best value for money for Ontario taxpayers. We want to have a degree of competitive tension where you have one proponent or another who will be—just like you would, for example. Perhaps you're doing some work on your home and you want to replace your roof. You might get one or two—you would get more than one. You would get two or three or four estimates from different contractors. You

might have a range in mind of what you want to pay. We certainly want to be at the lowest amount of money but, ultimately, the most important thing for us is to deliver the infrastructure project and get the best value for money.

Mr. Hampton: Can you tell us, in what areas will you be using the P3 model? We've already heard of hospitals. What other areas: courthouses?

Hon. Mr. Caplan: I want to be very clear: We're not using the P3 model. The P3 model was introduced in Ontario by the New Democratic Party and by your government. In fact, there were several projects that were P3'd. I would like to, if I might, quote your former colleague Mr. Farnan, who in 1994 in Hansard spoke about this at great length:

"This international model is used everywhere—in Germany, the USA and many other parts of the world. By allowing partnerships with the private sector and changing the way we build highways, we are positioning our industries to be the world leaders and at the same time we are getting the job done faster and we are saving the taxpayers a lot of money."

He went on, "Using our method of constructing Highway 407, we will create 20,000 jobs now, when they are most needed, save the taxpayers \$300 million, encourage private sector partnerships and encourage innovation and competition. We will build a much-needed highway 22 years faster. Lastly, but most importantly, we will help Ontario's design and construction industry catch up with the rest of the world to build large-scale projects like Highway 407 in an innovative and effective manner."

So P3s in fact were introduced by your government. You were Attorney General at the time. I would hope you would recognize that. The Conservative Party also used P3 methodology. We reject the NDP P3 and the Tory P3 arrangement—ours is different—because your Highway 407 was eventually sold off and complete public control was lost. We call for public control remaining in all cases, and ownership in all cases, of hospitals, schools and waters. We call for project oversight and third-party validation. In fact, we call for the use of AFP in the strategies for large-scale projects, certainly health care, and also in the justice sector and the transportation sector. Those will be the areas where we believe AFP will come into play. But I want to stress—

The Chair: Thank you, Minister. You've answered the question.

Mr. Hampton: Just to be clear: You're looking at private financing of hospitals, private financing of courthouses and private financing of some transportation projects?

Hon. Mr. Caplan: We believe that those are the types of projects where AFP strategies are most effective.

Mr. Hampton: Can you be more specific? In terms of transportation projects' private financing, are you talking about highways? Are you talking about public transit systems? What kinds of transportation projects will you consider private financing for?

Hon. Mr. Caplan: I can tell you that the ReNew Ontario plan does not contemplate private sector financ-

ing for any of the highway or transit projects that we are supporting.

Mr. Hampton: But it would—

Hon. Mr. Caplan: Your question was, what types of projects would work under an AFP type of framework, and I've indicated that to you: large-scale-type projects. Under the ones that we are supporting in ReNew Ontario, we contemplate none of them through AFP arrangements.

1030

Mr. Hampton: So now we're down to hospitals, which will be subject to private financing schemes, courthouses subject to private financing schemes—anything else?

Hon. Mr. Caplan: I believe that I've already answered that question.

Mr. Hampton: I'm just asking you again: anything else outside of hospitals and courthouses? Yes or no?

Hon. Mr. Caplan: Those are the ones that we contemplated in ReNew Ontario.

Mr. Hampton: Are you contemplating any private financing schemes outside of ReNew Ontario?

Hon. Mr. Caplan: I don't believe so; no. Although municipalities or the federal government may wish to.

Mr. Hampton: OK. So we should not expect—

Hon. Mr. Caplan: We should not expect—I'm sorry?

Mr. Hampton: We'll leave it for now. We can come back to that.

Hon. Mr. Caplan: OK.

Mr. Hampton: It's my understanding that the McGuinty government will contract with private sector consortiums to build these hospital and courthouse projects. What kinds of businesses will participate in this private financing, private construction and, we're told, also private property management? Can you just give me an idea? Is that pretty much it: a private financing agent, a private construction company, a private property management company? Is that pretty well it, or will it be broader?

Hon. Mr. Caplan: The consortium would have legal advisers. Certainly they would also have engineering teams that would be part of what they would do, in addition to the ones you've mentioned.

Mr. Hampton: So legal consultants—

Hon. Mr. Caplan: Legal consultants, engineering consultants, the various groups that would be involved in delivering a capital project.

Mr. Hampton: One of the issues that's been raised, particularly with respect to private-financing hospitals, is that services like maintenance, housekeeping, cleaning, laundry, food services, record-keeping, all of that clerical support work, would also be part of the private consortium. Is that also in contemplation, or are you ruling that out?

Hon. Mr. Caplan: Right now a hospital board, for example, could engage any of those services that you mentioned, should they so choose. We don't anticipate a change to the prohibition or to the allowing of hospital boards. They can get involved in whatever kinds of

arrangements they feel are appropriate for their circumstances. I want to be very clear about this.

This is one of the big differences between the Tory/NDP P3 approach and AFP. Especially the Conservatives used this as a backdoor method in order to impose these types of arrangements on a hospital corporation. The NDP similarly tried—or, I believe would have contemplated, I should say—imposing certain measures on other parties.

In fact, AFP does not move in this direction. We leave those matters simply, appropriately, to hospital boards in this case, as the case may be. They are entirely free, currently and in the future, to engage in whatever those arrangements for those types of services that you mentioned they feel are appropriate, not because of a capital financing model.

Mr. Hampton: So it is entirely conceivable that things like the ongoing physical maintenance of the building, the ongoing caretaking and cleaning, the ongoing laundry services, food services and even record-keeping in the hospital could be part of this kind of private financing consortium; this could all be part of a private financing alternative infrastructure approach.

Hon. Mr. Caplan: The answer—and I want to be very clear—is that one has nothing to do with the other. Currently, hospital boards or others are entirely able to enter into those kinds of ancillary services if they so wish. If they wish to include it as part of a bill, they would certainly be eligible to do so. We will not prohibit, nor will we force, that upon anybody else.

What we're interested in is the capital finance where, unfortunately, there has been a lack of investment which has gone into these kinds of public facilities. In fact, the working conditions of the people who are working in hospitals are threatened. We feel that it is a responsibility to try to improve not only the working conditions but also the opportunities to provide modern care facilities for residents in Ontario. Those services are paramount to us, but in order to make sure they are not only adequate but excellent, we believe we need updated, expanded, upgraded facilities to be able to do so. The operational side you referred to, Mr. Hampton, has nothing to do with the capital delivery and the capital financing method.

Mr. Hampton: Suppose you were going to build a new hospital or a new school and you needed to procure some land. Would the procurement of land conceivably be part of the private financing/private consortium/alternative infrastructure deal?

Hon. Mr. Caplan: It might be. It would depend on the individual project that was contemplated. There might be a site already. Site selection may be a part of what we would ask others to bring with them. There are a number of different arrangements in that regard.

Mr. Hampton: Who will own the land? It's a simple question: If I'm a private consortium and I go out and buy the land for the construction of a hospital or the construction of a courthouse, who will own the land?

Hon. Mr. Caplan: It would certainly depend. We are insistent that, in the case of health care, there would be

public ownership; in the case of schools, they retain public ownership; in the case of water and wastewater, there would be public ownership. For the others, I would cite the example of College Park here in the city of Toronto, where we lease courthouse space owned by a private sector consortium.

In fact, I want to quote to you former Attorney General Howard Hampton back in October 1991: "As well, Metro Toronto presents, in the long term, some interesting possibilities for partnership with private developers. For example, it might be possible to construct courts and to construct commercial space and to construct housing in co-operation with a private developer." What we're doing is certainly consistent with those comments.

Mr. Hampton: I'm more interested in the issue, again, of who will own the land. I think what I hear you saying is that you may actually have a facility where the land is owned by a private consortium.

Hon. Mr. Caplan: I think I've answered the question, Mr. Chair.

Mr. Hampton: Yes or no? Can a private consortium own the land that a hospital or a courthouse is on?

Hon. Mr. Caplan: I think I just said that things will be viewed on a case-by-case basis. In the case of hospitals, schools and water, they will always be in public ownership. In the case of a courthouse, that need not be the case. I think I can't be any more clear than that.

Mr. Hampton: Now that you've raised the issue of water projects and school projects, are you saying they could also be the subject of private financing?

Hon. Mr. Caplan: I think they are already the subject of private financing.

The Chair: So the answer is yes.

Hon. Mr. Caplan: Yes.

The Chair: Thank you.

Mr. Hampton: Just to be clear—because I think I heard you say that a private consortium could own the land—could you conceivably have a situation where a private consortium would own the land but the hospital, in terms of the language, would be publicly owned?

Hon. Mr. Caplan: I don't believe I said that, Mr. Hampton. I'm not really sure what part of my answer you didn't understand.

Mr. Hampton: Well, I think what you said is that there won't be any hard-and-fast rule. If a private consortium can go out and procure the land or a private consortium can come to the project with land, the land will not necessarily be publicly owned.

Hon. Mr. Caplan: I think I said that for hospitals and schools and for water, it will always be publicly owned.

Mr. Hampton: So the land will be publicly owned.

Hon. Mr. Caplan: That would be our intent.

Mr. Hampton: In some of these projects, part of the private financing could actually be paying for the land as well.

Hon. Mr. Caplan: Potentially, yes.

Mr. Hampton: OK. I just want to be clear: When you have a hospital that you call public, and we'll let you go down that road for a while, would the ownership of the

land—I'm talking about legal instruments here. Would the legal instrument dealing with the land and the legal instrument actually dealing with the hospital structure be the same?

Hon. Mr. Caplan: I would certainly ask a lawyer. I really can't provide an answer.

1040

Mr. Hampton: Let me give you an example. I'm sure you're aware of condominium ownership, where a private corporation owns the land but, under the magic of our legal system, I own the actual condominium unit. What you have is two separate legal instruments. One instrument would be registered, whether at land titles or the registry office, saying, "Corporation X owns the land," but another title would be registered saying that I own the unit. I'm asking you, would it all be one and the same legal instrument, or would you have different legal instruments, one dealing with land and another with the actual ownership of the building?

Hon. Mr. Caplan: I'm going to ask our legal counsel. I'll have legal counsel provide you with a legal answer.

The Chair: Please introduce yourself for the record.

Ms. Victoria Vidal-Ribas: I'd be delighted, Mr. Chair. My name is Victoria Vidal-Ribas. I'm the ministry's legal director.

In answer to Mr. Hampton's question, it depends on the specifics of each arrangement and how the project is put together. Following up on the minister, the ownership of the land would certainly be as the minister has indicated and the contractual arrangements would be those that support the minister's policy objective that is appropriate in each case.

Mr. Hampton: But what I think I heard the minister say is that you could have projects where the land would be privately owned.

Ms. Vidal-Ribas: And there may be a long-term lease arrangement, like a 99-year lease arrangement. The intent, as I understand the minister's comment, is that public interest in the projects be maintained through the use of the land, and that can be accomplished in many ways.

Mr. Hampton: So that we're clear now, you could conceivably have private ownership of land with a McGuinity-government-defined public hospital. You could have that.

Ms. Vidal-Ribas: You can have private ownership of land with a long-term arrangement so that the public interest in the hospital is maintained.

Mr. Hampton: OK. That's good. That's all I want to know.

I just want to ask a couple of other things. When you were talking about private financing consortia for building hospitals, you could conceivably be talking about the private consortia acquiring the land—private consortia financing the purchase of the land—and financing construction of the hospital. As we know, there are many other aspects of hospitals. One would be engineering. Would that be private consortia? Just to be clear, would engineering also be a private consortia?

Hon. Mr. Caplan: I would anticipate that—
Interjection.

Hon. Mr. Caplan: Hold on; if you ask me a question, give me a chance to answer. I would anticipate, as I said, that legal, engineering, potentially architecture partners, other people involved in the design and construction would certainly be involved with consortia to be able to deliver that piece of infrastructure.

Mr. Hampton: OK. As I understand it, the way this would all be paid for is that the Ministry of Health, perhaps in association with your ministry, perhaps together—in any case, the government would annually flow money to the “non-profit” hospital, which in turn would flow the money to the private consortium to pay for the financing costs, perhaps the land costs, the construction costs, the ongoing maintenance costs and, of course, profits. Is that right?

Hon. Mr. Caplan: The government would flow the money to the hospital corporation to pay for whatever the contractual obligation was. Whatever is built in there, my assumption is that, yes, a private sector entity would build in profits for it.

Mr. Hampton: Sure. So the financing costs, construction costs, ongoing maintenance costs and profits. What I’m told is that whenever you get into capital projects where you have a fair amount of capital tied up, and here conceivably you could have money tied up in land, construction costs, legal costs, financing costs and design costs—we have hundreds of millions of dollars tied up in capital like this—the private sector will want at least a 15% profit. Capital, in that sense, in all these services, does not come cheap. The consortia will want at least a 15% profit on the money.

Hon. Mr. Caplan: Where do you come up with that figure? Did you make it up or can you substantiate that?

Mr. Hampton: In my case—

Hon. Mr. Caplan: No, you’re putting a matter of fact in front of the committee—

The Chair: Minister, he’s trying to put a question.

Hon. Mr. Caplan: OK, my apologies.

Mr. Hampton: That’s what I’m told. Do you have different information?

Hon. Mr. Caplan: I’m must say, Mr. Chair, I’m asking the member to substantiate that kind of figure. Told by whom? You could have been—

Mr. Hampton: If you just—

Hon. Mr. Caplan: You could have been—

Mr. Hampton: Do you have a different figure?

The Chair: One at a time.

Hon. Mr. Caplan: You could have been told by somebody else. I’ve heard a lot of figures come out which I don’t think can be substantiated. I find it very hard to comment on something when I don’t know the source. I’m very interested and I would follow up on it. Provide me the source where you get your information and I will provide you with an answer.

Mr. Hampton: Do you have a different figure? Ten per cent? Five per cent? Do you have a different figure?

Hon. Mr. Caplan: I’m not going to get involved in some kind of Price Is Right guessing game. The member is making a statement of fact, and I’m asking for that to be substantiated.

Mr. Hampton: The ministry must have somebody here who has done some estimate of financial costs. Do you or do you not? You’re telling the people of Ontario that this is a great deal. Can you tell the people what kind of profit levels the private sector consortium would want for private financing, private design, private construction, perhaps private ownership of the land, perhaps private delivery of a number of other services associated with the hospital, plus their profit on capital? Do you have an estimate?

Hon. Mr. Caplan: I don’t believe that there is any generally held estimate, and that—

Mr. Hampton: Do you have an estimate or not?

Hon. Mr. Caplan: Everything would be looked at on a case-by-case basis. Quite frankly, it is for the consortia to decide what it is they would be seeking. What is in the public interest is the investment in the infrastructure, the construction of a state-of-the-art hospital to provide better and modern health care services, the construction and investment in transportation, borders, courthouses, schools, water. Those are the matters which concern us.

Mr. Hampton: So you’re telling the people of Ontario that this is going to be a very good deal for them, but you don’t have an estimate of what kind of profit, on top of all of these costs and services and money invested, that a private sector consortium will ask for. You’re telling people it’s a good deal, but you don’t know?

Hon. Mr. Caplan: Is there a question?

Mr. Hampton: Yes, there is. You’re telling people it’s a good deal, but you don’t have an estimate of the profit. So on a \$500-million hospital, you don’t know what profit that private sector consortium would ask for? You don’t know what their goal would be going into negotiations?

Hon. Mr. Caplan: The way this works is that my ministry will come up with a determination of what the costs will be, were we to deliver it through our traditional public sector model. That is the basis on which we will go out and enter into an arrangement with private sector consortia to be able to deliver on it. The private sector consortia must find their costs, their profit margin, whatever it is they’re looking for, and if their bid goes outside of the value-for-money benchmark, we would not proceed with it through the private sector arrangement. The public of Ontario is protected insofar as they get the infrastructure, and they get it within a range that we would be willing to pay for it through a public sector model.

The other thing that I would add, and one of the advantages of moving in the direction we are moving, is that we will be able to provide price certainty for the people of Ontario. In the models that have come before—and there are some very glaring examples where an initial amount was budgeted by the government of the day in order to deliver a particular piece of infrastructure. In fact, the cost overruns were so incredibly massive—this

is something which is well documented in Ontario and abroad—that there will be, as Mr. Farnan has said, cost savings, it is believed, accrued to the residents of Ontario. Not only will they get the infrastructure project, but they will also get it delivered on time and on budget.

1050

Mr. Hampton: Let me just be clear. You're prepared to do about \$2.5 billion of private financing and you don't have an estimate within the McGuinty government as to how much of that money will go to the profits demanded by these private sector consortia. You're telling people that this is a good deal and yet you don't know.

Hon. Mr. Caplan: I think I've answered the question.

Mr. Hampton: OK. You talk about cost certainty. I just want to refer you to a number of articles that have appeared in the *British Medical Journal*. This talks about private financing of British hospitals:

"Journalist George Monbiot reports that as costs for P3 hospitals" or private financing hospitals "balloon an average of 72% above initial projections, high costs for the infrastructure lead to cuts in clinical budgets. On average, the *British Medical Journal* reports, 26% of hospital beds have been cut in P3 hospitals. Staff has been reduced on average 30%, with 14% of doctors, 11% of nurses and 38% of support staff cut."

This is the experience in Great Britain with some of the private financing hospitals. Have you checked into any of this?

Hon. Mr. Caplan: In fact, contrary to the opinions that were just rendered by the authority that you cite, the Auditor General in Britain has taken a look at traditional models of infrastructure finance and delivery and what they call their PFI method. In fact, of the ones that were studied by the Auditor General—a well-respected authority, I hope you would agree, Mr. Hampton—80% of the time the projects under PFI were delivered on time and on budget. Sorry, rather 88% of the time. Please forgive me.

They also compared and, by the way, looked at the traditional model of delivery or the traditional public works method. Seventy per cent of the time, according to the Auditor General in the UK, public infrastructure projects were delivered over budget or late. In fact, there was not only significant infrastructure investment but public value delivered to the people of the UK by using this finance method, this project management method, this infrastructure method, and I think that is well established by the UK auditor.

Mr. Hampton: I just want to read you a quote:

"Britain's Auditor General and deputy controller recently called the accounting systems used to justify these schemes 'pseudo-scientific mumbo-jumbo.' He says the accounting exercise 'becomes so complicated that no one, not even experts, really understand what's going on.'"

Then of course we have the *British Medical Journal* saying for that these private financing hospitals, the costs "balloon an average of 72% above initial projections." You don't think that comments like that are a problem?

Hon. Mr. Caplan: What I think is a problem is the fact that in the traditional public works model we have some rather glaring examples. I really don't want to get into isolating one community or another and picking on one individual project, but there are plenty that we can highlight and point to where there were massive cost overruns. In fact, here's one of the real benefits of the method that we're talking about: Through the risk transfer and the risk allocation model, we will assign that to the private sector consortia. If they go over budget, the public is protected and it will be the private sector consortia who will bear additional costs. So if there are additional costs to be borne, that is the history that we have in Ontario and internationally, but Ontario residents, Ontario taxpayers and, more importantly, the people in that community will be protected and will receive the infrastructure at the budgeted price they had agreed upon.

Mr. Hampton: You talk about the public being protected. One of the things that you acknowledge is that you could have private ownership of land. One of the problems in Britain is that for example, land sales is one of the ways that P3 financing of hospitals—it's one of the ways they make money. Land deals turn on profit and questionable deals rather than public need. For example, Edinburgh's private financing hospital: The hospital land was valued at C\$500 million; it was sold by the consortium to a subsidiary for a mere C\$25 million. The new private financing hospital was built on cheaper land—an old mine shaft that floods when it rains, forcing the rats that live there to the surface. So on rainy days when the mine floods, rats head to the surface for shelter. Rat traps have become a new fact of life for the hospital. This would all be called private financing or private sector efficiency, but I think you'd agree with me that it doesn't make for very good health care. These kinds of examples don't bother you, Minister?

Hon. Mr. Caplan: I think that any member can highlight whether the traditional public—

Interjection.

Hon. Mr. Caplan: Sorry, there was a question. I wanted to answer.

The Chair: Thank you. We're just getting coordinated with our microphones.

Mr. Hampton, we've completed your segment.

Minister, you now have up to 30 minutes to use for responses, and the clock is ticking. Please proceed.

Hon. Mr. Caplan: I certainly want to thank the committee for the opportunity to be here. I want to acknowledge the points raised by my colleagues opposite, from both the official opposition and the third party.

The member of the official opposition tended to focus, I believe regrettably, on some overused rhetoric as opposed to substantively looking at a capital investment program which is long overdue.

I want to talk about ReNew Ontario. ReNew Ontario is a \$30-billion plan. Just so members of the committee will have a chance—it's not a long document. I want to encourage members to take a look at the kind of work we've done. We outline and lay out the different chal-

enges we have and the solutions to meet those kinds of challenges.

Our infrastructure deficit is enormous. Some have estimated it at a minimum of \$100 billion. I believe that cost estimate is quite a bit low and it may be considerably more dollars over a number of years. I think there's plenty of blame to go around, whether that's past governments of all political stripes or different levels of government. We have simply not made the kind of investments into the key public services that we wish to deliver.

The average age of our hospitals is 43 years, which means that many are reaching the end of their useful lives. They must be modernized and replaced. Many of our almost 4,000 elementary and almost 900 high schools were built in the 1920s. Problems such as leaky roofs, inefficient heating systems and mouldy classrooms mean that we have significant barriers to student success.

Highway 401 and many of our transportation routes are choked by gridlock. In fact, that takes an enormous toll on the useful life and on the life cycle of those roads.

Some of Ontario's jails and justice facilities were built in the 1880s. Many courthouses are over 75 years old. Many of those buildings don't have the capability and the capacity to meet the emerging requirements to deliver those important public services as we need them.

I want to say, and I want to be very clear, that governments of all stripes, of all histories and legacies in the province of Ontario have, with very good intentions, made significant moves and strides ahead to work and deal with this mounting infrastructure deficit challenge.

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I recall—or at least one of my staff researched—back in the early 1990s, when the then NDP Finance Minister Floyd Laughren said to us in his budget that he would create the Capital Investment Plan Act. Under the Capital Investment Plan Act, and I quote the 1993 Ontario budget, “We are creating three special-purpose crown corporations to carry out investments in transportation, real estate and water and sewer services. The three crown corporations will work in partnership with municipalities and the private sector to plan and implement new investments” as soon as possible.

It goes on: “The corporations will play a major role in facilitating partnerships and joint ventures with private and public sector partners and in developing and accessing new revenue sources to support infrastructure improvements.”

It goes on and references a program that was called Jobs Ontario. I think you would remember that, Mr. Chair. It says, “We will encourage investments to be made in partnership with municipalities and the private sector.” The program “will build highways and transit systems, improve water quality and conservation methods, and expand telecommunication networks.”

So even as early as the 1990s, I would note, the government of the day recognized the need for capital investment and renewal, the need to expand facilities and the need to take on partnerships with other levels of gov-

ernment and with the private sector in order to fund those very necessary investments because of the mounting infrastructure challenge.

Here we are some 15 years later—I should note as well, and I want to be fair, that the previous government, the Harris-Eves government, did attempt, with very good intentions, some significant investments. They created a secretariat under the finance ministry to try, again, to get private sector investments—very similar between the previous governments. I want to be very clear where we agree and where we disagree. We agree on the need for investment and the need to find additional dollars because, as we all know, resources are always scarce. There are always enormous pressures, certainly, on the operating side, and the capital and ongoing maintenance gets pushed out and crowded out to future years. That's why it is the leadership of the McGuinty government to set a five-year plan for infrastructure, and not to be indiscriminate about it.

I think it's very important to begin to highlight and encourage what the key principles of the framework are, which I elaborated on earlier. The framework is a dramatic transformation of the process we use to plan, finance, procure and manage public infrastructure. The document is called Building a Better Tomorrow. It's a set of policies and procedures, and I think it's important that I elaborate on the five key principles once again.

First and foremost is protection of the public interest. Each project we invest in is intended to benefit the people of Ontario and to contribute to the well-being of people in the community. Everyone in the project must agree that the public interest comes first.

Second, value for money: Regardless of the method of financing, the people of Ontario will ultimately pay for every project, so all decisions affecting the facility, from its design and construction to its ongoing operation, must reflect the fundamental principle of value for money: Investment must be cost-effective, optimize risk and its allocation be completed on time and within budget.

Third, appropriate public control and ownership of public assets must be preserved. In particular—and this is where I want to really make sure that Mr. Hampton is very understanding in his questioning—public assets in hospitals, water and sewer, and public school sectors will always be publicly owned. Where we disagree—and I remember Mr. O'Toole raised in his comments the spectre of Highway 407, a P3 started under the NDP and sold off under the previous Conservatives in a fire sale to the private sector—a complete loss of control in the regulatory ability. According to that particular government—again, we do not agree and do not believe that the public control of assets should ever be allowed to wander. This is one of the major differences between the P3 approach of both the NDP and my Tory friends and our AFP.

But I want to continue. The fourth principle is accountability. Public infrastructure initiatives should have clear lines of responsibility and accountability, rigorous and transparent reporting, and clear, objective

performance measures. It's very interesting that when both political parties were in government, they did not have clear accountability. There was not public reporting and there was not oversight of these kinds of P3 projects, where AFP is significantly different. Here is another instance where we do have and have already begun to.

Mr. O'Toole asked in his earlier questioning, and I want to acknowledge—I have made a note of it. I've misplaced my note, Mr. Chair, but I'm sure I will find it in just a second. Here it is. Mr. O'Toole asked: Will the contracts be publicly available? The answer to that is yes, they will. There have been no contracts under AFP signed, but when there are, they will be made publicly available, and I want to provide members assurances of that.

The fifth element and fifth principle we adhere to under the Building a Better Tomorrow framework is a fair, transparent and efficient process. All public infrastructure initiatives must be efficient, have fair bidding processes and be subject to audit, as required by the Auditor General of Ontario. All relevant project documents shall be available to the public. Mr. Chair, you would know that quite recently the government went on a request for qualifications for a fairness overseer, for a commissioner to guide and oversee the process to ensure that the government is living up to its stated principles. That fairness commissioner's report too will be made public so that the people of Ontario will know that its government is not only living up to the letter but also to the spirit of the investment framework.

Those were some of the comments that the opposition party members made earlier that I wanted to have a chance to be able to talk about, to contrast with.

Mr. O'Toole said that the previous government was going to get involved in asset sales in order to balance the budget. That, in my opinion and in the opinion, I believe, of most Ontarians, is wholly inappropriate. I want to state and be very clear that Finance Minister Sorbara, in his last budget, did say that if there were a realization of revenues from assets, it would go to pay down the debt of Ontario, or, as it says, that infrastructure investment would be the first priority for any realization of those revenues. So if we realize anything, it would go back into the assets that the people of Ontario depend upon for the provision of important and vital public services.

I think that's a very differentiating point of view between Mr. O'Toole and the Conservatives and our government. Where they felt it was OK to, in essence, sell the kitchen furniture to buy groceries, we feel that is simply a mug's game, that by getting involved in that kind of arrangement, eventually you'll run out of assets to sell and you'll still have those cost pressures, which is why our government is imposing the rigour and discipline of bringing the finances in order, but at the same time—critically important—making the investments in health care, in education, in post-secondary, in environment and, yes, in infrastructure to be able to have the key enabler and the platform, not as a means but as an end to the means of improved public services.

Mr. O'Toole also raised Peterborough Regional Health Centre. I am very pleased to report to Mr. O'Toole that in fact the RFP did go out. Do we have a date on that, I ask the deputy?

Interjection.

Hon. Mr. Caplan: That's already out. In fact, it was awarded. I understand that Mr. O'Toole made a comment that there's a fence around it. I want all members to be assured that we take public safety as being very important, and we would not want any member of the public to venture on to those sites and to perhaps find some danger or find some injury.

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I want to assure the member that the tender has been awarded, the work is commencing, we're very excited, and the people of Peterborough region—and it's not just the city but the entire region—will have and enjoy a state-of-the-art regional health care facility of which they will be proud, but also where they and subsequent generations will receive high-quality health care services. That's been our dream, which has been long in coming, and it has been my colleague Minister Smitherman, under the leadership of Premier McGuinty, who has delivered that.

One of the comments I want to come back to that Mr. O'Toole raised was the GTA/905 Healthcare Alliance. They do raise some very good and significant points about the need for growth in an area like the 905 and the effect that has on health care, and we agree. Mr. O'Toole raised the question: Are all these needs going to be satisfied? The answer is, and I want to be very clear about this, yes, over time, but over the course of five years it is simply not possible. I want you to know it is because there is only so much construction capacity that currently exists in the province of Ontario. We could not physically undertake all of the projects that have been called for, that have been pent up over a number of decades. There are not enough people, there are not enough bonded construction companies and there is not enough capacity to do them all at once. That's why we have engaged in the strategic five-year move ahead, the proper phasing and sequencing, the proper cash flows to be in place in order to deliver what has been long promised, which has been a long-time aspiration but unfortunately has eluded successive governments. We are making a serious effort and we're going to make an over-\$5-billion dent in a very large pent-up health capital plan.

The member also asked—and I want to specifically address the comments that the members did raise—what is the plan for long-term care? The member would be aware that while, yes, we do reflect infrastructure investment that is found within operating streams, I do believe that the Minister of Health and Long-Term Care has been called before this committee, and questions like that of an operating nature are more appropriately put to the health minister. I would encourage the members of this committee to do that, to make sure that Minister Smitherman is able to provide some answers on the operating side. I regret that as the Minister of Infrastructure Renewal I

don't have detailed information for committee members as it relates to operational needs.

I want to come back again to some of the challenges and some of the solutions that we highlighted, challenges like improving delivery of public infrastructure. What Mr. Hampton raises, when he talks about cost estimates or budgets which were initially struck and were vastly exceeded under traditional procurement methods: That has been the case all too often, and that has a rather insidious effect, because if something goes vastly over budget, the public funds to finance it are simply taken from another project. In essence, cost overruns squeeze out other projects very much needed and, importantly, delivered. That's why some of the methodology that we're using, of alternative finance and procurement, of providing price certainty and delivery certainty, is so critically vital to the delivery not only in one sector or another but so that we don't begin to crowd out the necessary kinds of investments.

It wasn't raised, but one concern is, and I'm sure that one of the members of the opposition parties will raise it: Well, isn't this method of financing more expensive because your borrowing is going to be more? The suggestion is, "Perhaps just borrow everything because the government receives a much better rate." I cannot agree with that kind of statement. First of all, there is not an unlimited ability to borrow funds. I believe, for example, and I would like to quote former New Democratic Party Finance Minister Mr. Laughren in his budget of April 29, 1991, where he says: "The deficit is not an issue that is simply of concern to the bond markets and rating agencies. It is a concern of ordinary working people in Ontario, because they do not want an ever-increasing share of their hard-earned tax dollars going to pay the interest on a huge public debt."

In fact, during the years between 1990 and 1995, under the New Democratic Party, debt financing strategies were the course of the day, as opposed to the exception to the rule. The debt of the province, just in order of magnitude, the likes of which had never been seen—now, I understand there were some very difficult economic times, a severe recession, and that is understandable. I want you to understand the effect that had on the credit rating of Ontario: downgraded nine times by the three bond rating agencies that look at provincial credit ratings. Very interestingly, what happens when your credit rating goes down? Your cost of borrowing goes up. That's precisely what happened during those years between 1990 and 1995.

Today, over a decade later—in fact, quite some time later—we still live with the legacy of that debt. Public debt interest is the third-largest, almost the second-largest, budgetary line of the provincial budget, as it was introduced by Minister Sorbara this past spring. So, like former Finance Minister Laughren would remind us, the deficit is not an issue simply for bond markets and agencies, but it will crowd out an ever-increasing share of hard-earned tax dollars to pay the huge public debt interest.

I would go on and quote Mr. Laughren, two years later, in his May 19, 1993, budget: "Simply to let the debt increase each year at an accelerating rate would be irresponsible. Consumers would know that more and more of their incomes will be taxed away to pay the cost of public debt interest, not just this year, but long into the future."

That is why purely relying upon public debt issue to fund infrastructure is not an appropriate way to go, because as former Finance Minister Laughren so eloquently pointed out, we can't allow the important public services that Ontarians depend upon to be crowded out by ever-increasing debt issues. That's why it is very important. That's why our government has chosen to move in a combination of strategies to get the kind of investment—yes, we are going to use debt issue; yes, we're going to use the traditional public works methods as well; yes, we're going to partner with the federal government and municipal governments, whether for groundbreaking investments in public transit—a \$1-billion investment in GO Transit, \$1 billion into the Toronto Transit Commission into their state of good repair—or whether that's a transfer of gasoline tax to municipalities for investment in public infrastructure. We're going to find different ways, whether it's a low-cost loan pool, like in OSIFA, to be able to provide municipalities—and I'm told by the OSIFA staff that the last OSIFA issue was just marginally above the province's own debt issue rate. So, in fact the spreads are narrowing as we get better at it.

There are five or six solid strategies that we contemplate using under the framework for investment to make sure that we get the much-needed investment in Ontario's infrastructure, that we do it in a different and better way. There is a reason why. The reason is the improved public services, that the economy rest upon modern and efficient infrastructure.

I would point out that we currently have, and I note Mr. Hampton's concern about, private sector interests investing in infrastructure. One of those interests—in fact, a significant interest—is the public sector pension plans here in Ontario. Mr. Chair and members of this committee, you might be astounded to know that the Ontario teacher pension plan, that OMERS, the Ontario municipal employees' pension plan, is investing in infrastructure in the UK, in the United States, in Australia, in Europe, in other provinces in Canada. In fact, they are making sure that the public services are in place through the provision of modern and better infrastructure through their investments. In essence, the accumulated savings of the public pension plans in Ontario are being used to update, modernize and improve the provision of public services all over the world.

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Mr. Chair and members of the committee, I say that those accumulated savings ought to be used right here in Ontario to update and modernize and improve and expand and deliver better public services. For the life of me, I cannot understand why anyone would wish to deny Sault Ste. Marie residents or Niagara residents access to

state-of-the-art, modern, publicly owned medical facilities.

Mr. Speaker—Mr. Chair: I'm sorry. I've elevated you in status. We are having an election, I understand. I have, I think, outlined why the need is, how the methodology will work, what some of the differences are. I've been able, I believe, to pick up on some of the comments of both of the other parties, as they've mentioned them.

In health care, as I mentioned, a \$5-billion investment; in schools and universities—in our last budget, one of the most exciting elements was a renewed focus on investment in post-secondary education unlike we have seen in decades. This is investment which goes directly toward our future competitiveness and our ability to invest in our own people. In order to do that, we need access to state-of-the-art laboratory and other kinds of research equipment to attract the best and the brightest, but also simply the physical space and the working conditions for the people who will be in those colleges and universities. We are calling for an enormous investment in our elementary, secondary and post-secondary: \$10 billion over the course of the next five years.

Our highest priority is our borders. Because so much of our GDP and so much of our trade are dependent upon the fast, efficient and timely access of our critical border points, we are devoting considerable dollars to our borders, to public transit and the highways: almost \$11.5 billion by the year 2010.

We're investing, for the first time in a long, long time, in affordable housing. I had the very great pleasure of hosting here in the city of Toronto Joe Fontana, the federal Minister of Labour and Housing, and we signed the largest affordable housing agreement in Canadian history. In fact, we're already seeing the benefit of that much-needed affordable housing, I would say in contrast to the previous government, who unfortunately did not have as a priority the provision of affordable housing—through that agreement, 15,000 new affordable housing units; 5,000 housing allowances for very needy families. Those are the kinds of investments long overdue in this province, and ReNew Ontario is the vehicle that's going to get there.

The justice sector has been a real surprise to me, just the depth of need. The member from Durham, I believe, will be interested to know that in very short order we will be going out on the RFP for the Durham courthouse, a project which was announced by the Attorney General in the NDP government. So we are moving these kinds of projects which have lingered for over a decade, that really did not make much progress. We are moving. We are going to be able to provide Durham residents with access to timely justice in a consolidated facility in Durham region.

I did touch on water and clean water in my earlier remarks.

Mr. Chair, I think that's a good enough overview. I hope that I've addressed the questions and the concerns and the comments of the opposition members. I want to thank you for allowing me the opportunity.

The Chair: Thank you very much, Minister. Our researcher assigned to this committee has made note of a couple of requests from committee members. Did I understand you correctly to say that the Peterborough Regional Health Centre contract has been let?

Hon. Mr. Caplan: I believe it has. Yes, it has. I could get an—

The Chair: No, that's fine. We had a request for a copy of the contract.

Hon. Mr. Caplan: The hospital has it.

The Chair: That is the only one that is available at the moment?

Hon. Mr. Caplan: At the moment, yes.

The Chair: Thank you very much.

Hon. Mr. Caplan: We'll make that available.

The Chair: Would the committee allow me to ask one brief question?

Mr. O'Toole: No.

Mr. Dave Levac (Brant): Let it be noted that it was the Conservatives who said no.

Mr. Rosario Marchese (Trinity-Spadina): We generally don't do that, Chair.

The Chair: I know.

Mr. Marchese: Let's take our turns. Then we'll come back to you at the end.

Hon. Mr. Caplan: I'm in your hands, Mr. Chair.

The Chair: Minister, just one quick question that has to do with the nature of the contracts: Will they cover off such things that are internal to a hospital such as laundry service, landscaping, food service and all of those others, or have the potential to? If that is the case, are there any provisions being made to protect unionized workers in those circumstances, or is there a plan to deal with the transition? That's a simple question.

Hon. Mr. Caplan: I tried to be very clear in my response to Mr. Hampton, who was also asking this. So far as I'm aware, this is not an area that we are compelling hospitals to enter into these kinds of arrangements. Hospitals will have complete discretion, as they do now, to be able to enter into whatever arrangements they wish for laundry, caretaking, food services, maintenance, landscaping, all of those kinds of things. There is the discretionary ability of hospital boards currently, and that will continue into the future. If those elements are built into a contract because a hospital board wishes to go that way, those elements too will be part of the public disclosure and the public accountability. As far as the other elements that you ask about, that would have to be dealt with on whatever basis there was at the time related to the transitions or whatever. I don't have a concrete example to be able to illuminate that point.

The Chair: Thank you very much. We have approximately one half-hour left. We can do 10-minute rotations, or we can do 15-minute rotations and then after lunch begin the third party's. I'm in your hands.

Mr. O'Toole: Ten minutes is fine.

The Chair: Ten minutes is fine? Then we will begin with Mr. O'Toole. You have 10 minutes.

Mr. O'Toole: I just have one brief question. Thank you, Mr. Hardeman, for joining. He brought the estimates briefing book, which would have been helpful a little earlier. Just a quick question, and then I'll pass it over to Mr. Hardeman, who is the critic in this area. You've committed, according to your presentation, \$30 billion by the year 2010. Where would I find in the estimates votes the allocation for this year for that capital commitment?

Hon. Mr. Caplan: Remember, \$30 billion is over the course of five years. In fact, some of the infrastructure investment—remember, \$30 billion is a total investment. Some of it would be gasoline tax, for example, which was transferred to municipalities for investment in transit infrastructure, some of which is found in pupil accommodation grants to school boards—again, an investment in infrastructure—

Mr. O'Toole: So the actual—

Hon. Mr. Caplan: Please let me continue. The Good Places to Learn initiative, introduced by my colleague Minister Kennedy, a revenue stream used to lever additional dollars to be invested into infrastructure in school boards, is an element of the \$30-billion infrastructure plan. There are a number of different elements. I highlighted for you earlier any flow-through, so for example, an affordable housing program will flow through the province. That total investment in infrastructure as well is reflected in the \$30-billion figure.

Mr. Ernie Hardeman (Oxford): Just to go on with that, the amount of the investments, the \$5 billion that you've announced for health care, am I to understand from your answer, Minister, that the \$5 billion is over a period of time, and that's how much money is going to be spent as opposed to how much government money is going to be spent?

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Hon. Mr. Caplan: Five billion dollars is the government's level of investment in infrastructure over the course of the next five years.

Mr. Hardeman: That's the government's investment? That's going to be tax dollars invested?

Hon. Mr. Caplan: It is the total investment. It's coming from the government. We may pay it to the hospital corporation that would pay whatever contractual agreement, but what we will be paying for the health care investments that we're looking at over the course of the next five years is \$5 billion.

Mr. Hardeman: I just want to get it clear, because I heard the message—you mentioned, Minister, school funding. When I went home and talked to the people in the education system, they said, "Really, all the government announced was the school board's obligation to go out and borrow money to fix the schools," because there is so little government money that they're just authorized to go and borrow to match the spending. But that's not the case for the \$5 billion?

Hon. Mr. Caplan: You would be aware in the school board case that school boards have a facility right now through a common—I'm not as familiar with it because it does appear more in the operating side, and education is a

little bit different than other ministries when it comes to capital. My understanding of the way that it works is that the Ministry of Education—I will stand to be corrected—has provided a revenue stream for the course of the next 20 years to the school board financing authority. They said to the school board financing authority, "Lever that revenue stream"—and they've levered some \$4 billion—"for immediate investment," and that revenue stream will be available to pay that off over the course of the next 20 years. So it would be up to individual school boards, through their financing authority, to be able to distribute how that money would work.

On the health care side—and I believe this is where you're coming from—the way the funding would work is it will be a combination of a couple of different things: direct capital grants in a traditional sense—we have many of those ongoing and some that have happened previously—plus AFP arrangements where we would enter into a contractual obligation with private sector consortia to be able to design, build, finance, construct and maintain a hospital over a longer period of time.

Mr. Hardeman: Staying with the \$5 billion for health care—this isn't directly to the estimates briefing—you speak about how you're going to invest the \$5 billion into health care over five years and then you have your principles of how you're going to direct the money. I think you went to quite great length to explain the five principles: protection of public interest; value for money; appropriate public control and ownership; accountability; and fair, transparent and efficient processes.

My concern is—and maybe it's not for you as the minister to answer; maybe it's the Minister of Health—I don't see anything in there as to the fairness or the appropriateness of picking the projects prior to the process that you're referring to. Obviously we're looking at—in your announcement you have 105 projects—how they were picked. There are concerns in my community that they have much more to do with politics than they do with fair, transparent and efficient processes. I just wondered if you could answer that.

Hon. Mr. Caplan: I'm glad to see Mr. Marchese here. For example, we were at a wonderful announcement of the construction of a hospital in his riding. We were just in Kitchener and we have a wonderful new hospital in Elizabeth Witmer's riding, the member from Waterloo.

I want to assure you that the project selection—and you are quite correct. For policy reasons and how individual projects were determined, I can tell you generally, and it will be up to the Minister of Health to tell you individual ones. There were specific policy filters related to the transformation agenda and the wait-time strategies; related to renewal and the renewal needs and the age of buildings; related to the growth criteria and the kind of growth projections and experiences that we have; related to project readiness—some are more ready or on different tracks than others.

Also, and I think fairly, we wanted to recognize regional equity, so that we wouldn't do all of the hospitals in eastern Ontario to the exclusion of hospitals in

the southwest. We did feel that the health needs of all Ontarians were legitimate and timely, and that there was a need to be fair in the provision of health care capital dollars around the province so that northerners and southerners and folks in eastern and western Ontario too would be able to have access.

Then there were two other policy filters that our ministry put on. One was cash flow: How much money did we have available? How could we line up the cash and make it happen? Obviously our financing ability was very important.

The second one was the construction capacity. I tried to highlight that earlier in my rebuttal comment to the opposition's opener, and I highlight it this way: Really, for hospitals, in the entire province there are only five major construction firms at any one time. They can only take on so much work at any one time. In fact, our hope in developing a longer-term plan, a five-year plan, is to signal to others, whether it's domestically or internationally, that we have a significant building program in Ontario and we are very interested in building additional capacity to meet those needs.

We couldn't build a capital plan based on what we hope for in the future but rather on what we know now. We know that only a certain amount of work can be undertaken in any one year, completed and then new work taken on. We had to gauge the relative ability to deliver the 105 projects that you mentioned earlier. So that's how we approached it. I want to assure you and all committee members that those were the criteria we used when it came to deciding which hospitals, in what communities and how it was going to roll out. It was not, as you put it, politics that decided it.

Mr. Hardeman: Minister, you mentioned the fact that the readiness to proceed was one of the criteria.

Hon. Mr. Caplan: Yes.

Mr. Hardeman: Is that, "The closer they are to proceeding, the less likely they are to get the money, so we don't have to spend it"?

Hon. Mr. Caplan: No. That's a little facetious.

Mr. Hardeman: The one I'm referring to is—in fact, we can't get approval and \$12 million has already been spent. They're ready to go to tender but they can't get any commitment. I guess my question really goes to the comment you have in your presentation about Sault Ste. Marie. Why should people be deprived of quality health care if somebody is willing to put in the money and they'll pay it back over the next number of years? It would seem to me that, on a project that was ready, you would say, "OK, it's not your cash flow. You're going to borrow it all anyway." Why would you not proceed with a project that was that ready? I'm just trying to figure out how you're going to implement your program. It doesn't seem to work.

Hon. Mr. Caplan: It certainly does work. I want to assure you and all committee members that we've been working quite diligently to make sure that we come up with something realistic.

I think this is one of the—I want to be fair—legacy problems that we've had. There was a great deal of

expectation. The Health Services Restructuring Commission orders and plans originally costed out at \$2 billion, and, you would remember, Mr. Hardeman, to be completed by the end of 2003. There was no way that kind of deadline was even realistic, relative to the amount of projects. So in good faith, communities and hospital corporations went off and completed a lot of work. I regret that the government of the day knew full well that there were no finances available, there was no construction capacity available, there were not the other elements in place to deliver those projects. We did inherit that unfortunate situation. We are dealing with it and moving through those projects as best we can.

I should tell you that at \$5 billion and 105 health care capital projects, this is the single largest, in this period of time, investment in the history of Ontario in health care capital and infrastructure. I want all of the communities to know that we chose their criteria and we are working on the plan for the next several years after so that we can get to all of the communities. We believe that all Ontarians, whether they're in your community or my community or anywhere else, deserve access to state-of-the-art, excellent health care, and we're going to do what it takes to find the plan, the finances and the delivery that are going to provide it for them.

The Chair: Thank you very much, Mr. Hardeman. Mr. Marchese.

Mr. Marchese: Minister, a number of questions have arisen as a result of the comments you've made. Let me ask you to speak to the fairness of this particular question. I often hear Liberals commenting on the 1990-95 experience of the NDP. Would you say, in your own inimitable, unambiguous Liberal way, that New Democrats spent both too much and not enough? Is that a fair assessment of the way Liberals often speak of our time?

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Hon. Mr. Caplan: Fairly speaking, I think there are a lot of lessons to be learned, both internationally and at home, and that Mr. Laughren—and indeed, Mr. Hampton, yourself—you were all members of an executive that had to make some significant public policy choices about what it was you wanted to do about it.

Mr. Marchese: No, I understand that, Minister. I understand that.

Hon. Mr. Caplan: I'm trying to answer the question.

Mr. Marchese: But I don't need a whole background in context. I just—

Hon. Mr. Caplan: You've asked me a rather complex question about—

Mr. Marchese: No, it's very simple. I often hear Liberals say—

Hon. Mr. Caplan: Mr. Chairman, may I answer the question or not?

Mr. Marchese: Minister—

The Chair: Slow down.

Hon. Mr. Caplan: If you don't want an answer—

Mr. Marchese: I don't have much time. You see, I'm here for a brief time.

Hon. Mr. Caplan: I wish you were here longer.

Mr. Marchese: The question is this: You often say—

Hon. Mr. Caplan: May I answer the question, Mr. Chair?

Mr. Marchese: He's not answering my question and I don't have time, Chair.

The Chair: Minister, I will ask Mr. Marchese to reframe the question and keep it short, and you'll get a short answer.

Mr. Marchese: That's all right. I will make a statement, rather than asking a question. Otherwise, I'm not going to have time to ask my questions.

It is incredible how Liberals can claim that we created huge deficits that the Liberals would never create and that we didn't spend enough on health, social services and education. Presumably, if you had been there, we wouldn't have deficits and yet we would have increased services, just the way you made your promise that you wouldn't increase taxes but you would increase services. I love Liberals. So much for my question on that one.

Hon. Mr. Caplan: Is there a question?

Mr. Marchese: No, no. Thank you for the answer. Your answer was very good.

There's a \$30-billion infrastructure program. I might have missed it in my time here, but did you say \$2 billion to \$5 billion would be used under the acronym AFP, the most complex yet so efficient alternative financing model?

Hon. Mr. Caplan: No, I believe I said we estimate somewhere between 2.3 to 2.5.

Mr. Marchese: Billion.

Hon. Mr. Caplan: Billion; correct.

Mr. Marchese: I had you quoted earlier as saying, "Why would anybody object to better and more modern health care services?" You obviously believe this. Why not do the whole thing under this acronym AFP?

Hon. Mr. Caplan: That's an excellent question, and we do outline an answer in our Building a Better Tomorrow framework. There are in fact a number of strategies which ought to be brought to bear in order to plan, manage and finance the infrastructure in the province of Ontario. We think this is one component part.

The traditional element, whether it's through debt finance or through own-raised revenues, is a very legitimate means. Cost-shared arrangements with federal-provincial-municipal governments—

Mr. Marchese: So there are different ways, you're saying.

Hon. Mr. Caplan: May I finish my answer?

The Chair: All right, I'm going to interrupt all of you. I'm going to ask the table support to cut off one of the two mikes, so you're not going to be heard on Hansard, first of all. I'm going to put the mike on for the minister and I'm going to cut off Mr. Marchese's. Mr. Marchese, you can interject all you want; anything you say won't be covered. The same will apply to you, Minister.

Hon. Mr. Caplan: Fair enough.

The Chair: I was giving latitude while everybody was working well. Please, Minister, briefly respond and then I can recognize Mr. Marchese.

Hon. Mr. Caplan: There are a number of strategies which ought to be brought to bear: revenue streams like gasoline tax directly to municipalities and low-cost loan pools like CIFA. In fact, I think this is one of the differences between our AFP approach and the previous two governments, and I say this respectfully to Mr. Marchese. We don't believe employing one method or another is the right way to go, but a various and sundry combination of methods will get us what we want: investment in the infrastructure and improved public services. That's the approach we've taken.

Mr. Marchese: I'm still not clear on why it is that if you have a model that you're so proud of in terms of creating better, modern and efficient ways of doing things, you would have such a small, little, tiny portion of the \$30-billion infrastructure program.

Hon. Mr. Caplan: May I answer that?

Mr. Marchese: No, you already answered. Thank you.

The other question is, are the Brampton hospital and the Ottawa hospital P3s or AFPs?

Hon. Mr. Caplan: First of all, I would just say—

The Chair: No, I would ask you to answer the question. You've had your rebuttal period and I'd like you to answer the question.

Hon. Mr. Caplan: The Brampton and Ottawa hospitals were P3 hospitals under the previous government. They were, by the way, private hospitals. We have brought them back into the public realm, so they would not be what I would consider to be AFP hospitals. We hope to, and will, learn a great deal from the experience of the previous government in planning, financing and managing those and using that to further our understanding and make sure that we don't repeat the kinds of errors that the previous government made.

Mr. Marchese: So they're not P3s. But what are they, then, again? They're not P3s, or they were P3s and you fixed them? I'm not clear.

The Chair: Minister, I'm not clear, so I'm going to let you answer.

Hon. Mr. Caplan: They were P3 hospitals under the previous government. They were private hospitals which were being constructed. We have in fact brought those back into the public realm and made enhancements to the contracts that were entrenched.

The Chair: Just for the record, they're no longer P3 hospitals?

Hon. Mr. Caplan: They are P3 hospitals. They were P3 hospitals; we made changes to them.

The Chair: Perhaps we can seek a written response to that question. That would be more helpful and staff can support you.

Mr. Marchese: That might help. There are a number of groups, including the Ontario Health Coalition and others, that have been trying to get information in terms of what was contained in those deals. You're so proud of talking about "oversight, fair, transparent, efficient processes" and all that. Is there a reason why you can't help to facilitate the opening up of those contracts so that there's exposure?

Hon. Mr. Caplan: My understanding is that those contracts are the subject of a court proceeding. As a former member of the executive would know, I'm prevented by the sub judice rule from being able to discuss that particular matter because it is currently in front of the courts.

Mr. Marchese: OK. I understand the province is considering a new accrual accounting method for capital projects, such as hospitals built in the traditional public sector way, and that this will hit, presumably, the province's books over the expected life of a capital project. It seems to me that in terms of accounting, the only difference between the two approaches is that payments under the P3 approach would start on completion of the project instead of at the beginning of construction. Would that be the only difference between what you're contemplating in terms of your new accrual accounting methods versus what you're contemplating under your AFPs?

Hon. Mr. Caplan: Mr. Chair, I want to introduce Assistant Deputy Minister John McKendrick.

My understanding, just to be very clear, is that the accrual method was introduced by the previous government and is working its way through what they call PSAB, the Public Sector Accounting Board. I do not profess to be an accounting expert, so I'm going to allow Mr. McKendrick to reply to that question.

Mr. John McKendrick: The accounting rules have been changed so that the hospital financial statements will be consolidated on the province's financial statements. I think it's starting this fiscal year in the next public accounts that come out. What really matters in these transactions is whether or not you transfer risk. It's the risk transfer that drives the balance sheet treatment in terms of the hospital. If it's on the hospital's balance sheet, then it comes on to the province's balance sheet.

What is likely to happen is that if you transfer off the construction risks, then for the construction period it will not be on the hospital's balance sheet. If that's consolidated on the province's balance sheet, it won't be on the province's balance sheet then. But if, after that, it comes on the hospital's balance sheet, then it will also come on the province's balance sheet.

Mr. Marchese: So this new method of doing things doesn't affect anything except the risk factor. Is that my understanding?

Mr. McKendrick: No, I wouldn't say that, but I would say that the primary objective is to focus on the risk transfer. If you get the risk transfer, the balance sheet—

Mr. Marchese: Can you speak to the new accrual accounting method? Is that a positive thing for you, for the ministry, for the government? Why are you doing it?

Mr. McKendrick: That's really determined by the Minister of Finance. We just follow the rules.

The Chair: If I might, it was a system implemented because most other provinces have it; ours didn't. So we're being consistent across the nation.

Mr. Marchese: I understand that. My understanding, limited as it is in this field, is that once you have that,

you're basically paying for your construction or whatever it is over the longer period of time, as you would, presumably, under this new AFP. So if you're doing that, the only difference is starting to pay now versus starting to pay once the construction is over, so we're talking a year or two. It won't show in your books, necessarily. The only difference is that with the new system, you'll have a difference of a year or two in terms of when the money starts actually showing in your books as a debt to you as a government. If that is so, and if governments can borrow at a cheaper rate—which I think we all accept, including the Toronto Star editorial, which normally supports you very strongly—in general, it's effective, efficient and just as cheap for us to do this on our own rather than handing it over to the private sector. Would that not be true in your mind?

1150

The Chair: Thank you, Mr. Marchese. Minister, if you'd like to respond briefly, and then I'll recognize the governing party.

Hon. Mr. Caplan: There are several reasons, aside from solely questions of finance. One is to build a proper life cycle into our public buildings. This has been an area where the deferred maintenance on public buildings is enormous. If we can build in the proper maintenance of our buildings into the longer term, that would certainly be a benefit forward. If we can have, as Mr. McKendrick has said, proper risk allocation and transfer, as well as deliver things on time and on budget, that would be of enormous benefit, because, regrettably, the experience has been that major capital projects have gone over budget and over time and have crowded out other projects, regardless of financing method. Last but not least, I would say that project management and oversight is something we need to improve upon, that the suggestion, "Just do things the same way and you're going to achieve a different or better outcome"—I don't see how that logically could be met.

Mr. Marchese: Is it not possible for the government to have better oversight or better ways of handling the cost—

The Chair: Mr. Marchese, your time is up; I apologize. Ms. Di Cocco?

Ms. Di Cocco: I just have a couple of questions for the minister. First of all, the current infrastructure deficit, if you want to call it that, has taken a lot of years to accumulate. I call it perplexing as well. Over many years, particularly in 2002-03, there were many, many announcements made across the province. The same happened within my own community. Announcements were made, particularly for hospitals. It's common knowledge that the announcements were made and that dollars just weren't attached to those announcements, unfortunately, because the money wasn't there. I even heard the head of the OMA state that in discussion, saying this was probably one of the things that he himself felt was unacceptable, that you have these sorts of announcements made and heightened expectations because of those that were generated over many years. Because of these

heightened expectations, a lot of the communities expect that we have somehow a magic wand to be able to provide these projects ASAP or yesterday. I guess the question I have is, why are some of these projects going to take so long to get off the ground? That's the question.

Hon. Mr. Caplan: I think that's an excellent question, and a very germane one too. In my earlier comments I mentioned the relative construction capacity of the province of Ontario. This is not something that should really be treated lightly. We only have so much ability to deliver at any one time. In fact, you will have serious problems if you try to put too much out there. You'll begin to bid against yourself, essentially, for the workers who will build the projects, for the materials that will be used. What you would see is that your labour costs go up, your material costs go up and the delivery times go up, because the construction capacity is only so big.

It is regrettable that phony cheque presentations were made in certain communities, creating the expectation that work was going to commence and that finances were in place, leading folks locally to believe that all of these activities were going to ensue. It depends on the complexity of the nature of an individual project, but often-times, for complex ones, it can be two years or even three in the design-build element of it, from the time they first break ground until the time when you have occupancy. Obviously other ones, which are perhaps more modest, can be completed on a faster schedule, which is why we began some of our funding and financing at some of our earliest opportunities, and why we wanted to signal, with as much lead time as possible, to our partners in communities, in the health care sector and the justice sector what was going to be happening so that everybody could line up construction material, labour and finances in a timely fashion, not rushed to do it at the end. That's one of the reasons why AFP and ReNew Ontario are in fact so different from the approaches used by both previous governments.

Ms. Di Cocco: One of the questions I get a lot, having to do with capital projects, particularly ones that are, if you want, projects by government, is this whole notion—there's a perception that my constituents have, anyway, that when you had a government project in the past, and the publicly funded projects that had been, particularly, in some hospitals, the track record is not very good with on time and on budget. That is probably the biggest concern I hear with regard to government projects. Can you help me to understand what mechanisms we're going to put into place to make sure, as much as possible, that we have a better track record as we're building these projects across the province, that they do come in on time and on budget?

Hon. Mr. Caplan: Again, another question—the previous government had Michael Decter, a former deputy minister under the New Democratic Party, undertake a health care capital review. Mr. Decter's findings are in fact posted on my ministry Web site. I would encourage members to go and take a look at his report, because it was very illuminating. The problems he spoke

about are the ones that you mentioned here, and in fact are not unique to Ontario and not unique to any one stripe of government, but have been the practice for a good, long time.

Parts of the problems stem from a lack of good, solid, upfront planning at the very beginning stage. They didn't know what they wanted to deliver. They didn't know the public policy goal that they wanted to achieve. They didn't know the health care service, in this particular case—so things changed in the middle of the delivery of a capital project. As anybody in the construction sector will tell you, change orders are in fact where all of the cost escalations come from. One of the rigours that we're trying to bring in is much better upfront planning, much better budgeting upfront, knowing what we want to deliver.

This is a bit of our response to Mr. Decter and his health care capital team: We call for a business case analysis. For every infrastructure project we want to say, "How does this relate to the priorities that you set as the government, or that you set as a ministry, for what you want to deliver? What does that say? How does that work?"

After that, how do we bring the appropriate financing solution? As you indicated, or as I believe Mr. Marchese indicated, there are a variety of different ways you could finance, so how do you choose the right tool for the right job and match them up appropriately? Some might have a risk transfer mechanism, in this case transferring the risk of going over budget or over time to a private financial partner. This is something that has been used in other jurisdictions around the world. That's another way we're able to use to bring some of that discipline and some of that rigour.

Last but not least, we also call for an evaluation of capital projects from the time of initial planning to the actual financing methodology, to the procurement practice, to the delivery of it. We want to know what lessons are learned. What went right? What went wrong? How can we work to improve, and to come in at a much earlier stage, so that we can avoid some of those errors? Or, how can we replicate some of the successes? And there have been successes too.

There is a whole range of activities that we are recommending under the Building a Better Tomorrow framework that will work to alleviate that problem in particular.

The Chair: Thank you very much, Ms. Di Cocco. Thank you, Minister. This committee stands recessed until 12:30.

The committee recessed from 1200 to 1237.

The Chair: I'm pleased to reconvene the standing committee on estimates. We have the Honourable David Caplan, Minister of Public Infrastructure Renewal, with us. I'd like to do 15-minute rotations, and I'd like to begin with Mr. Hardeman.

Mr. Hardeman: Finally, I just wanted to quickly touch back on the comments we had earlier about how we prioritize individual health care projects as opposed to the overall policies of government.

As I listened to further discussions from other members asking questions, particularly Ms. Di Cocco from Sarnia-Lambton and your explanation about the readiness to proceed and the process they've gone through to make sure that everything was appropriately done, the planning, the functional plan review and all these other things that are done, my concern was that the hospital in my riding that I was referring to has all that completed—\$12 million of provincial money already spent putting infrastructure in the ground to build on, and still no word as to whether we're going to proceed.

Now, you suggested in your comments that that was part of the big picture of the hospitals that were approved in 2002-03 prior to an election, I guess inferring that there was some political connection to the approvals. I would point out that this hospital was approved in the year 2000. Then when we listened to the accounting discussion, my understanding is that that money would then have been in the budget in 2000 and every subsequent year until it was either used for something else or taken out of the budget. I just wanted to clarify that. I think that our hospital is much further along than some of the ones that are presently being approved and has gone through all the steps that you're suggesting need to be done.

One of the things I wanted to ask about is on page 6, going directly to the document. While the overall estimate is down by \$1.7 million, why are these estimates traditionally \$200 million over the actual expenditure, and why do you keep it that way? Why are the estimates higher? In 2004-05 the estimate was \$263.8 million, while the ministry only spent \$23.8 million. This expenditure is also in line with the 2004 actuals. Why not reduce the estimates and allocate the funding to priority programs? It seems that your numbers in certain areas are just kind of put in, that we can move them around as we see fit, or not spend them at all.

Hon. Mr. Caplan: I think that's an excellent question. Before I get to it I want to assure you, as I've said earlier on the selection criteria, that it was what it was and you will have an opportunity, as I understand it, through this committee, to talk to the Minister of Health. Related to the individual hospitals we have, I believe, announced 32 hospitals to date. There are more to come. We are meeting with individual hospital boards and are just going to have to ask for a little bit of patience as we move through that.

I want to introduce Jeanette Dias D'Souza, who is our CAO and ADM on the corporate services side, to specifically address your concern about the printed estimates and the variation that you've pointed out.

Ms. Jeanette Dias D'Souza: Thank you. I believe the question was along the lines of, why were the actuals of the ministry lower than one may have expected, given the number or the magnitude of the printed estimates?

Mr. Hardeman: Yes. We see continually, not just in these estimates but in others in the ministry, that we're underspending our estimates. Why is it that if we underspend it once, we not then look at that and find out why

that's happening and put it in perspective, put it in the right order, so that in fact we're actually projecting what we're going to spend? I'm a person who believes that a surplus in your budget is the same mistake as a deficit in the budget. They're both miscalculations, and I wonder why it is, if we're continually mistaking the miscalculations, that we wouldn't correct that.

Ms. Dias D'Souza: I have a two-part answer to respond. The Ministry of Public Infrastructure Renewal is one of the newer ministries. In essence, we had our own estimates for the first time in 2004-05, and as with new ministries, there's a lot of disentanglement that needs to occur etc. In some cases, we as a ministry are not up and running, in terms of our own internal costs, as quickly as one may expect of a ministry that has been in existence year upon year. The other part of my answer, I would point out, is a significant factor in adding to our total, is the large capital amounts that are sitting in our estimates, and those are very much funds available to address different priorities that come up that go through, for example, the capital process etc. We also have some new things that we're working on. It's very much there so that we have it available to us. As we proceed and mature as a ministry, we'll have a much better track record of what we can get through and do in a year.

Mr. Hardeman: Thank you. Also, on page 7, the operating expenses are dramatically under estimate. For 2004-05, the estimate was \$30.8 million, and the actual spending was \$16.2 million. If we're that far under one year, why would we not find someplace else to use that money, or not have it in there?

Hon. Mr. Caplan: I'm going to allow Jeanette to provide a full answer. Remember, our ministry was new, as she said. We had just been ramping up, trying to develop corporate services, all the things that we're supposed to do from the policy perspective and delivery perspective, so it does reflect that transitional period. I'll let Jeanette give you the specifics on why.

Ms. Dias D'Souza: Thank you, Minister. For similar reasons, including—the ramp-up of the new ministry would be, by and large, the main reason. However, I think part of your question also addressed the issue of using the money. I would point out that PIR, like all the other ministries, reports in quarterly forecasting to the Ministry of Finance. At any given time, a central body knows exactly how much we are forecasting to spend, so something that you may or may not wish to pursue with the Ministry of Finance is how they manage that. We would articulate, as we go through the year, through our quarterly forecasting, how much we anticipate spending. I think that may capture your comment about, could the money be reallocated or whatever.

Mr. Hardeman: I guess it does, but putting your comments and the minister's comments together, this is a new ministry—so what? We're starting from ground zero. But the minute you have something to compare it to, should we then not be making the adjustments so it doesn't become just a slush fund to put wherever the government decides, and it actually relates to the pro-

jected expenditures, which are going to be based in the coming year, on the past year? It just seems to me that as a new ministry, this is the one that would have the most need to look at what were the actuals, and how do we address that going into the future, rather than saying, "I know we only spent \$16 million last year, but we're still going to spend \$30 million this year."

Hon. Mr. Caplan: Maybe the deputy would like to—

Mr. Geoff Hare: We do go through a results-based planning process where we have to justify our budget. So we have to build from the bottom up. It isn't that it's maintained at a level. In fact, there have been a number of constraints that have been placed on ministry budgets across the government. It is our responsibility to make a convincing case, and we have been able to make a convincing case that we do have needs that call for a budget of this size, as Jeanette said.

As a start-up ministry, we spent much of 2004-05, and we are continuing to build the capacity to deliver on the \$30-billion ReNew Ontario commitment and our capacity internally to support the government's alternative financing procurement initiative. So that's the primary answer to those questions.

With respect to one large element of our budget, which is rather unique, in 2005-06 we have \$175 million in for a capital contingency fund. That's to provide flexibility in-year to deal with emergencies, situations that arise where there's a need to allocate funds where there may have been an underestimate of the cost of a particular project, for example. It is something that is at the discretion of treasury board of cabinet, which makes the decisions as to how to allocate that \$175 million.

Offsetting that but not shown in our ministry's estimates is a corresponding savings target for 2005-06 on the capital account of \$150 million. So we have to manage. It's a management tool that we have to manage effectively, and it is part of our role as a central agency for capital infrastructure.

Mr. Hardeman: Just so I understand it then, the \$30.8 million going down to \$16.2 million in 2004-05 is in fact because you didn't accomplish and didn't build up as fast as you had envisioned. So you didn't spend the money, but you're suggesting that you are going to build up that fast and will be at that level in this fiscal year. Is that right?

Mr. Hare: Yes, and that's the processes I referred to. It is the annual results-based planning process where you have to justify your budget and make a case for it. Year 2005-06 is really when we will come to a point where we will have capacity in place, capacity we need to have, as I said earlier, to support ReNew Ontario and the alternative financing and procurement initiative.

Mr. Hardeman: The problem still exists. This is the operating part of the ministry, not the capital part. I'm looking at the ministry of infrastructure. It's 50% wages and the other 50% to keep those folks in supplies to run.

Why, in the first full year of operation, would you not have ramped it up to a sufficient size to actually accomplish what it is you're doing and not have to double the

size of your ministry in the second year of your operation in order to achieve the capital investments that you're talking about? All the work that the minister referred to this morning, it would seem, was being done with an operating budget of \$16.2 million. How much more work is the ministry going to do in the next year to spend \$30 million? I'm having a little trouble understanding that.

Mr. Hare: We were probably, on average, in terms of staffing levels, 40% below our approved full-time equivalent level. So that explains a great deal, but if you don't have the staff in place to move forward with the initiatives, you aren't able to expend all of the funds.

There was also a process that was undertaken in late 2004-05 which reviewed all staffing levels across a number of ministries, including public infrastructure renewal, which took some time, which was another factor that delayed getting the staff in place as early as we had anticipated.

Mr. Hardeman: I won't dwell on this much longer, but you said that you are still well below the approved staffing levels. I guess my concern, being a boy from the country, is that I'm not as interested in the approved levels as the required levels. It seems to me, all the work that the minister said is being done—he never mentioned in his notes that he had not accomplished as much in the ministry as was necessary in the past year. Why is it that we need twice as much to accomplish the same thing that we've been doing? Is it only because we said we had the money, or is it actually required?

1250

Mr. Hare: We have moved from very much a focus on policy and planning—to very much a focus on developing the five-year ReNew Ontario plan, putting in place the policy framework for alternative financing procurement to major projects. In the Places to Grow area, the same thing; we're focusing on planning and policy. We are now moving fully into the implementation phase on all aspects of the ministry's responsibilities. It takes more people-power to be able to do that, so we have ramped up by, say, 30% to 40% to where we're very close to being at full staff complement and we are now applying those additional staff resources to focus on accomplishing the results that the government expects in each of our areas of responsibility.

Mr. Hardeman: OK. I'll turn it over to my colleague Mr. Flaherty.

The Chair: You have two minutes, Mr. Flaherty.

Mr. Jim Flaherty (Whitby-Ajax): Minister, I've had an opportunity to review your remarks. I take it now that you are in favour of creating partnerships with the private sector to build infrastructure in Ontario, as indeed you've done in this Sault Ste. Marie hospital announcement. Is that right?

Hon. Mr. Caplan: Mr. Flaherty, thank you for your question. We have described a range of activities, and in fact partnership with the private sector is one of those activities that, yes, we are supporting.

Mr. Flaherty: As you say in your speech, "The private sector consortium will also be responsible for ensur-

ing that the hospital is well maintained over the long term." That's on page 36 of your remarks. This is the Sault Ste. Marie hospital. What's the profit margin for your private sector partner to do that?

Hon. Mr. Caplan: This question was asked earlier by Mr. Hampton. I explained to him then, and I'll explain to you now, that profit margin is whatever the private sector would put in there. We developed what our public sector comparator is to it, and the private sector, through a competitive process, will figure out what they need to do to meet that figure. The margins are up to the individual proponents for what they feel is appropriate, but if it goes over what we are prepared to pay, we would not proceed with that kind of a project.

Mr. Flaherty: I'm sorry; is your answer that you do not know what the profit margin is for your private sector partner on the Sault Ste. Marie hospital deal? Is that what you're telling the committee?

Hon. Mr. Caplan: The answer is that it is part of a competitive tendering process and the individual consortium will build in the relative costs on design, build, finance, construction, maintenance and every other cost.

Mr. Flaherty: You know the criticism, Minister, of these types of arrangements. It is said by many that government can always—people will say “always”—borrow money less expensively than the private sector can borrow money and that if you ask the private sector to engage in this kind of public-private partnership, which is what it is, then there is a cost that is incurred by the public sector partner, i.e., the people of Ontario, that would be higher than the financing costs that would be incurred by the government itself. That's why I'm asking you about the profit margin. I think the people of Ontario are entitled to know what kind of deal you have negotiated.

Hon. Mr. Caplan: There has been no deal negotiated in the case of Sault Ste. Marie. It will go through a competitive tendering process, as should all of them. I would highlight that as one of the big differences between the NDP and the Conservative P3 approach and AFP: We call for much better accountability, process oversight. Certainly, the questions of ownership are different, because we believe in maintaining in public ownership hospitals, schools and water systems.

I would say a couple of things. You made a comment regarding the debt issue and how it's different. Recently, in the province of Alberta, there was construction of a road through an alternative financing method. The difference between the government rate and the commercial rate was 49 basis points, or what translates into less than half of 1%. And remember, we're talking about the government of Alberta, with the very best credit rating of all provinces in the Dominion of Canada.

So, the spread is actually not quite as large as some of the critics have wanted to suggest, certainly on the debt side, and that's something we're cognizant of.

The Chair: Thank you, Mr. Minister, and thank you, Mr. Flaherty.

Mr. Hampton, you have the floor for 15 minutes.

Mr. Hampton: I just want to ask you your own view. What, in your mind, are the benefits of private financing or alternative financing and procurement? You seem to be very excited about this. What are the benefits that you believe will occur from this?

Hon. Mr. Caplan: I think there are significant benefits. One of the benefits will be the allocation and transfer of risk, and so the protection of going over budget or not being delivered on time, which is a rather persistent problem that especially large-scale public infrastructure projects have seen. We'll be able to develop price certainty and delivery certainty on behalf of the people of Ontario. I think that's significant because when a project goes over budget, it crowds out other projects in the capital envelope. So in order to have a fully functioning plan, we need to develop that kind of cost certainty.

But there are other advantages as well. One of the other advantages is that we can build long-term maintenance and regard for it into a project. I would highlight the problem this way: Through successive governments, there is a lot of blame to go around, but we have an enormous deferred maintenance backlog and budget—whether it's the province's own assets or through municipalities, school boards, universities or hospitals—totalling into the tens of billions of dollars. If we can build in proper life-cycle practices and have regard for replacement of mechanical systems, roofs and windows, repairs, what have you, we certainly will not fall back into some of the traps and have poor conditions for the people who are working in those plants. More importantly, we will have better learning conditions for children and better conditions for people receiving vital medical services.

Aside from the financial aspect—and I guess this would be the third element of why this is particularly strong—it does, much like a mortgage concept, allow us to stretch out our dollars over time, as opposed to some of the traditional upfront capital grant public works models. That's another element: We're able to stretch out our dollars over time and, through cash flow, are able to fund them over time. I would say as well that that is inherently fair and equitable, because you have assets that have a lifetime and a lifespan of perhaps 25 or 30 years, or 40 years in the case of some of our public buildings. Why is it fair and equitable to ask people in 2005 to wholly foot the bill for a very expensive piece of public infrastructure that is going to be used for the course of the next 40 years? The fair way of proceeding is to make sure you stagger and schedule your payments over the lifetime, so the people who are using it will be helping to fund it.

Those are a variety of elements why I believe that using this methodology is appropriate in the limited application we call for.

Mr. Hampton: I just want to go through these one at a time. You talk about the allocation of risk, that the private financing partner or the private consortium, in your mind, would carry most of the risk. The second issue you raise, I think, is privatization of long-term maintenance. Is that what I hear you saying?

Hon. Mr. Caplan: No. It wouldn't necessarily. How that would take place and whether the regularly scheduled maintenance would be done could be built into a long-term contract. What has happened in the traditional public works model is that that's been up to the annual budgetary exercise. What has invariably happened, whether it's at the municipal, provincial or federal level, whether it's through a Liberal, Conservative or New Democratic government, is that those expenses have often been delayed or pushed into future years because public sector resources were very tight. Building that into the contract says nothing about privatizing it. All it does is talk about making sure we have due regard to and actual investment in it and that you in fact fund that as a part of the contract you would sign.

Mr. Hampton: So that we're clear here, if you're talking about building, let's say, a hospital, and you're talking about maintenance 25 or 30 years out, that would all be subject to the private financing and private consortia agreement?

Hon. Mr. Caplan: It might be. One of the other benefits of it, by the way, would be on materials being used. If you invest, you say to your partners, "You must return this building to us in a particular state of repair at the end of the life of the contract," and a heavy penalty would be in place if it was not. What that should do, in theory, and I have been told of examples, is ensure that proper materials were being used, that corners were not being cut and that people were receiving what they are supposed to receive for the specifications that were put out.

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Mr. Hampton: Just to be clear, not only would the initial construction, design, engineering and financing costs be negotiated with the private financing consortia but also the longer-term issues: long-term physical maintenance, long-term physical replacement of infrastructure in the building. In the McGuinty government's perspective, this can all be part of the private financing agreement.

Hon. Mr. Caplan: I believe I have answered that question.

Mr. Hampton: I just want a yes or no.

Hon. Mr. Caplan: Yes.

Mr. Hampton: OK. The next issue you talk about is financing the project over time, cash-flowing the money to the project over time, and that private financing would allow you to do that. Is that right? That's a benefit?

Hon. Mr. Caplan: That's what I said.

Mr. Hampton: But how does that differ from accrual accounting? As I understand accrual accounting, if the government were to—let's take the Brampton hospital—take a \$500-million bond to build that hospital, under accrual accounting it wouldn't show \$500 million up front; it would show the annual cost of servicing the bond, both interest and principle. So I fail to see how the McGuinty concept of private financing would give you any benefit over accrual accounting. Can you tell us what this perceived benefit would be?

Hon. Mr. Caplan: I want to again bring you back, Mr. Hampton: It is not simply a method of financing; it is also a method of procurement, it is a method of what you are purchasing and the other benefits on project management and delivery. And we don't call for this to be used in all cases, but in specific ones.

Accrual-based accounting: I don't profess to be an expert on accounting or accounting practices, but my understanding is that we are going to take advantage of favourable accounting treatment where it would exist too.

Mr. Hampton: If you're not an accounting expert, then maybe somebody from the ministry can explain. I don't see where this generates a benefit over accrual accounting. Accrual accounting says that if you have a \$500-million government bond at, say, 5% interest, what you have to show on your books in year one would be what it cost to repay in principal and interest, what you'd have to show in year two is what it cost in principal and interest, what you'd have to show in year 10 is what it cost in principal of interest to repay and that's what you'd have to show in year 25. As I understand accrual accounting, the cost of a capital project would be essential shown, not lump-sum up front but incrementally in segments over the lifespan of the bond. Isn't that what it is?

Mr. McKendrick: But also, really the accounting treatment follows the profile of the risk, and when you're transferring to the private sector the risk of cost overruns and delays, you do not take ownership of that debt—associate with that—until the construction is completed on time and on budget, which means the expense is deferred for at least the construction period and then amortized over a long period of time. What's also important is that by getting the certainty on the cost overruns, you avoid cost overruns which can add significantly to your expenses and to your deficits.

Mr. Hampton: As I understand it, the only difference between your private financing accounting concept and accrual accounting would be that in your private financing concept the government doesn't start paying for the project until construction is complete, whereas under the accrual method you start paying for the project as soon as construction begins. That's only a difference of maybe two or three years in most cases.

Mr. McKendrick: Yes.

Hon. Mr. Caplan: But also the element of cost overruns. That's not insignificant.

Mr. Hampton: But I'm asking about accounting here. I'm asking about accounting.

Hon. Mr. Caplan: OK. That's fair enough.

Mr. Hampton: So the real trick is, this allows the McGuinty government not to show this on the books between now and the next election.

Mr. McKendrick: The accounting follows the risk transfer that takes place. The objective here is to transfer risk. Because you are not legally obligated to take this building until it's completed on time and on budget, it defers it for a number of years.

Mr. Hampton: Maybe you can help me with this. What happens if the company doesn't complete the project? Who has to come in and complete it?

Mr. McKendrick: We put in a lot of safeguards to make sure that takes place. We have a qualifications process. For example, on the Durham courthouse, you have three high-quality consortia bidding. The first one you have is Ellis-Don, a very reputable construction company—

Mr. Hampton: Liberal Party, yes.

Mr. McKendrick: —CIBC World Markets and Carillion. The second consortia you have is PCL and also ABN Amro Bank, which is a major bank, and also Johnson Controls. The third consortia is SNC-Lavalin, combined with SNC-Lavalin Capital, ProFac Facilities Management and Bondfield Construction. They are all very reputable, strong companies.

There will be bonding in the contracts to make sure that they can follow through, and assurances and cash deposits put in place to make sure they'll be heavily penalized if they don't meet their commitments.

Mr. Hampton: Maybe you could tell me this: In your view, is General Motors a reputable, financially strong company?

Mr. Flaherty: Not after Buzz got after them.

Mr. Hampton: If you don't want to answer, that's fine. I just thought I'd pose the question.

What I'm learning here is that in terms of accrual accounting, there is very little difference between accrual accounting, where the government might get, say, \$500 million at 5% or 5.64% interest on a government bond—I didn't look at today's *Globe and Mail*—and under your private financing, government might pay, gee, 7% or maybe 8% for the same \$500 million of private financing.

Mr. McKendrick: But you're not getting the same result. You're getting a significantly higher level of protection against cost overruns, and those cost overruns can add significantly to a project and put you far over any cost of private financing that might occur.

Hon. Mr. Caplan: I would also add, Mr. Hampton—I understand that you're taking hypothetical numbers. If I could give you a practical and concrete example, my understanding, as I mentioned to Mr. Flaherty, was that on the Hyundai project in Edmonton, it was, on the finance side, 49 basis points, or less than half of 1%, over the provincial rating or the provincial issue. But remember, that is the province of Alberta, the province with the best credit rating in the Dominion of Canada.

Mr. Hampton: I want to give you another example. This is the Brampton hospital. A number of financial experts have looked at the Brampton hospital. They've had great difficulty getting the information from your government because, while your government talks about openness and transparency, you don't want to make a lot of this public. What they've been able to calculate is that the Brampton hospital will cost an additional \$175 million just because of the private financing. Experts in the field of infrastructure finance suggest that the best

interest rate spread between actual P3 borrowing and Ontario government bond—you might get it down to 0.5%, but they suggest it will be at least 1.25%. The difference on a \$500-million project paid off over 27 years—that's how you can get up to \$165 million of additional cost.

What I hear the McGuinty government saying is that it's a good deal for taxpayers to pay an additional \$165 million on a \$500-million hospital. That's a good deal for taxpayers? Is that what you're saying?

Hon. Mr. Caplan: I'd make a couple of observations. First of all, the authors of that report built the life-cycle maintenance element of it into the additional costs on the hospital side, yet on the public sector comparator, they put in zero dollars. So they assumed there would be no additional maintenance on the public model, and on the consortia model they assumed whatever it was. That's one element that I would say makes some of those financial assumptions a little bit unsure.

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As well, some of the other risk transfer assumptions, interest rate assumptions—I don't believe that those have been borne out.

The other underlying fact of the study is, sure, if I go to my bank and get a mortgage to fund my house, at the end of the cost of financing, both the principal and the interest would have cost more than had I spent the entire principal up front. So yes, I derive a benefit because I get my house right away, spreading the payments out over 25 years, but I pay the interest cost for that.

If the point of the study was that that's what's going to happen, we certainly acknowledge that and that's not unusual. But in the case of hospitals, courthouses, transit systems or what have you, we will have the investment in the much-needed infrastructure and gain the benefit of it and carry it out over time.

The Chair: I would like to recognize Mr. McNeely, please.

Mr. Phil McNeely (Ottawa—Orléans): Minister, you detailed very well this morning the infrastructure needs in Ontario. These have been known for some time. There was a collapse of infrastructure funding in Ontario in the 1990s. You have stated that you will deliver infrastructure both for deferred maintenance and for growth through the alternate financing and procurement method, the AFP model. Historically, much of the procurement has been privatized because engineers, architects, planners and contractors—it's always the private sector, and they delivered the work, but with the budget problems and the time problems, which you're going to transfer to the private sector. You've mentioned the reason for the AFP: It's to protect the public interest, to get value for money, have appropriate public control of accountability, to be fair and transparent and subject to audit.

Just to compare, Highway 407 was one of our projects that was privatized. It sort of left the driving public as hostages. How will projects delivered under AFP be different, and how will the public be protected?

Hon. Mr. Caplan: Thank you very much, Mr. McNeely. I appreciate the question. I think Highway 407

is an interesting case study, and there are some significant lessons to be learned.

It was a P3 project started under the New Democrats. They decided—and by the way, for a long time, governments had acquired the land, had drawn up the plans, had done the engineering work, but had never been able to move that forward. My friend from the New Democratic Party would tell you that their government very much wanted to move things ahead, and they certainly did. They were able to get construction partners, engineering partners, and there was a financing partner, to be able to move this project ahead.

What happened then was that the government changed. The government of the day, the Harris-Eves Conservative government, decided, for whatever reason, that they wished to sell and engaged essentially in a fire sale of a provincial asset. There was no oversight in the procurement process. There was no accountability built in. In fact, it was a very hurriedly-put-together kind of arrangement.

We've learned subsequently that Ontarians, in my opinion, have not received full value for the assets. Ontarians lost, contrary to the advice of the government of the day, complete control of the asset, the ability to regulate tolls whatsoever, and serious loss of control, which is why we highlight in the alternative finance and procurement method one of our fundamental principles, which is that public control of our assets will be maintained at all times. I think that's very important.

Ontario residents, particularly those motorists who use the 407—I'll give you an example. The government of the day said in a press release that tolls would only rise, I believe, 2% plus inflation per year.

Mr. McNeely, I think that, by any stretch of the imagination, tolls in some cases have risen over 200%, so even with the assurances of the government of the day that certain practices were going to take place, when we come to discover what the practical effect and the result are, the public needs some protection. The public interest, especially, needs to be protected. That's why we've built this very important criteria and principle into our framework moving ahead. I think it's important that we learn from the experiences in the past, both in Canada and outside of Canada, for how these things are delivered, what benefits they derive and how the public interest is what is going to be paramount.

Mr. McNeely: I had a second question, which refers to the gas tax, which may be another ministry. When I was on the city of Ottawa council, our needs showed up very well for asphalt resurfacing of \$25 million a year, while we spent \$15 million. That's starting in 2001. After five years, we have seen a general deterioration of asphalt surfaces across this province. Municipalities just do not have the dollars to maintain the existing infrastructure.

I wonder if there was ever a consideration for Ottawa, there being \$38 million or \$39 million a year—significant dollars—from the gas tax, to tie those dollars to maintaining infrastructure properly?

Hon. Mr. Caplan: First of all, thank you, Mr. McNeely. It was a policy decision, and it's certainly a commitment of our government to transfer a portion, two cents of the gasoline tax, to municipalities. In fact, we're in the second year of a three-year phase-in, as we had committed and as, in fact, is happening. Municipalities who, under the previous government, had seen all of transit downloaded on them and all of those costs pushed down there, which in fact burdened municipalities a great deal, have seen, I think, a much different approach, a partnership kind of approach where we're providing those kinds of revenues to them for investment in infrastructure.

With ReNew Ontario, we contemplate approximately \$1.4 billion over the course of the five-year period covered by our plan transferred to municipalities for investment into transit infrastructure related to the gasoline tax. We have not been prescriptive to municipalities, that they must put it in maintenance or in fleet replacement or in systems. We want to provide some flexibility to municipalities in how they're able to—and that's, by the way, quite a change from the past practice of previous governments. Previous governments had very much dictated to municipalities how they had to spend their dollars, what levels of expenditures, what states they had to keep things in. We very much wanted to partner with municipalities, partner with transit providers, provide them with not only the resources but the flexibility that they would need to be able to meet local needs.

One of the projects that I'm incredibly excited about is in fact in your hometown of Ottawa. We are finally moving ahead with light rail expansion, in partnership with the city of Ottawa and the federal government. The O-Train is an incredibly exciting project, and we look forward to many good elements coming from that kind of an investment.

Mr. McNeely: Thank you. That's all for me, Mr. Chair.

Mr. John Milloy (Kitchener Centre): Minister, I have to apologize. I missed your opening remarks this morning, but I had a chance to read through it, and I've also heard you speak very passionately about infrastructure in the province and the deficit that's facing us. I've heard you say at times that there are still wooden pipes in some communities.

My question is a two-part question. First of all, how did we get here? How did we get to the point where there is such a deficit? Second of all, you've put forward a \$30-billion plan, yet by your own admission it's not enough. Yet when I hear some of Mr. Hampton's comments and other critics talking about alternative financing, they're saying, "Well, the government should just simply go out and borrow that money." So I wonder, if we did—if you were to say no to alternative financing, how would the plan unfold? What would that plan look like, especially in light of some of the deficits that you've talked about?

Hon. Mr. Caplan: Thank you for the question. Certainly, the infrastructure deficit is enormous: I'm con-

cerned that \$100 billion, as I said in my opening comments, is a low estimate. We've seen in the water sector, for example, expert panels say it's \$34 billion over the course of the next 15 years or so. The hospital association has talked about \$8 billion to \$9 billion in hospitals alone. Schools, universities, municipal infrastructure—the list goes on and on. That doesn't really even address some of the growth needs. Your own community, Kitchener and Waterloo, looking forward to experiencing tremendous growth and some of the wonderful things that are going on there—a new school of pharmacology, investment in light rail—is going to see some of the kinds of things happen.

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If we were not to use alternative financing, if we were to simply, as some suggest, just put it on to the debt, just build up the debt—I'm always mindful of the fact that that strategy was tried. Between 1990 and 1995, the strategy of placing things more on the debt side resulted in Ontario's credit rating being downgraded nine times by the three credit rating agencies, resulting in higher borrowing costs for the province of Ontario. It's rather astounding to me that today, in our budget as we know it, the third-largest budget line—very close to, by the way, the second; health care is number one, education is number two—is public debt interest, just the interest on the debt, not even principal repayment. I want to remind you and all members of the words of former Treasurer of Ontario Floyd Laughren, who said in his budget address on May 19, 1993, "Simply to let the debt increase each year at an accelerating rate would be irresponsible." I agree with Mr. Laughren about that.

Consumers would know that more and more of their incomes will be taxed away to pay the cost of public debt interest, not just this year but long into the future. One of the unfortunate realities when we came into office some two years ago was that the previous government had claimed that they had balanced the books of Ontario. That proved not to be the case. We were some \$6 billion in a deficit position. So we have choice. We have to be able to address that fiscal imbalance that was bequeathed to us by the previous government. But we also have necessary new investments, whether it's in education or in health care or, in my case, in infrastructure, to be able to improve public services, support an expanding economy, but also to be able to do that at the same time that we are fiscally responsible, because we simply can't load everything up on the debt. We simply can't pass that on to future generations. I know that I would not be comfortable passing along, or at least having public debt interest be the number two or even the number one expenditure in our budget.

We have to manage within the resources that we have, and using the variety of financing strategies, whether that's federal, provincial, municipal cost-shared agreement, whether that's low-cost loan pools like OSIFA, whether that's transferring gasoline tax to municipalities, whether that's using some of the debt finance techniques, or whether that's using that partnership with the private

sector for finance, for procurement, for management, for life-cycle practice. I think that that's an appropriate kind of strategy, one that's going to meet our fiscal challenges but also going to meet the infrastructure deficit, because the demand is only pent up more and more and more as we move along, as things age.

Your comment earlier: Yes, we still have wood pipes. Yes, we have schools which date back to the 1920s. The average age of a hospital in Ontario is 43 years. It is time that someone showed the leadership to get on with the job, and I credit Premier McGuinty for showing that leadership and moving us ahead.

Mr. Milloy: Do I have time for another question?

The Chair: You have a minute and a half.

Mr. Milloy: I'll be very quick. I know we're going to have a chance—the Minister of Health, for example, is here tomorrow to ask about particular projects that are not part of the five-year plan. But just a general comment: Your \$30 billion isn't enough. What about the projects that are outside of that? What's the message?

Hon. Mr. Caplan: There are excellent projects; we just could not include everything. As I've also explained earlier to the committee, there are construction capacity imperatives that we do have where we cannot exceed our ability to construct within an annual or even a five-year time frame. The process is we're working on developing a longer-term plan, a longer-term finance ability and project management so that, whether it's justice, health care, environmental, municipal, education or colleges and universities, we can do more, because time is just of the essence. Our ministry is working on developing years six, seven and eight of a longer-term plan. But it's important right now to roll up our sleeves and deliver on the first five years.

The Chair: I'd like to recognize Mr. Flaherty.

Mr. Flaherty: Minister, I heard the Premier this morning thanking the previous Conservative government of Ontario publicly for the MARS project, which officially opened at the corner of University Avenue and College Street, which, as the minister will know, is a 700,000-square-foot complex designed to commercialize new and innovative ideas in medical and related sciences in the province. That's the acronym: medical and related sciences, or MARS. I listened to you today. Imitation is the sincerest form of flattery. That's "flattery"—

Mr. Levac: Not Flaherty.

Mr. Flaherty: —not "Flaherty," no. You're right. Mr. Levac is right about that. Actually, I compliment the government for changing its mind and realizing that in order to build the infrastructure that needs to be built in this province, and to build it on a timely basis, you have to access the large capital pools and partner with those who control the large capital pools in the province, including OMERS and the teachers' pension plan and so on. Why shouldn't they invest in public infrastructure, given that they invest in the Air Canada Centre and in dog food companies in the United States and other things? Why shouldn't they also invest in our own infrastructure at home? So I compliment you for that.

On the issue of the highways, are you familiar with Highway 6 in Israel?

Hon. Mr. Caplan: Not personally, no.

Mr. Flaherty: It is a public-private partnership in Israel, with a reversion to state ownership. I take it from what you've said today that you don't have difficulty with that concept.

Hon. Mr. Caplan: Is that a question?

Mr. Flaherty: Yes. I take it that you don't have difficulty with that concept. Is that right?

Hon. Mr. Caplan: I'm not familiar with the individual project, but as you describe it, it sounds like it's consistent with what we want to do; yes.

Mr. Flaherty: Right. It sounds to me, Minister, like you are contemplating purchasing a transfer of risk, which is important. Part of that risk is timeliness of completion of projects, which is very important for the people of Ontario, and part of it is projects being done on budget, which is again important for the people of Ontario. The alternative would be a very substantial delay in infrastructure projects in Ontario because of the financial situation the province is in. Is that a fair assessment?

Hon. Mr. Caplan: Certainly there's a need for investment that is pent up over a long period of time, for two reasons: One is for renewal, or maintenance needs, to bring our assets into a state of good repair, and the other is to fuel growth-related expenditures. We have an expanding economy and population base, and to be able to provide high-quality public services requires us to have the key enablers of infrastructure, whether that's transportation, health care, education or what have you, in place. That's the motivation.

This is what I wanted to make very clear in my opening comments: We don't believe that infrastructure is the end; it's simply the means to an end. It's the key enabler, which provides enhancement and improved public services, which is really what we're after.

Mr. Flaherty: You were mentioning the public debt and interest on the public debt to Mr. Milloy, I think it was. You are aware that interest on the public debt is up now about \$1 billion more per annum than it was when your government was elected a couple of years ago. I'm sure you didn't mean to leave people with the impression that the public debt has gone down under your government; in fact, it has gone up and the interest payments are up substantially.

Hon. Mr. Caplan: I certainly regret that the financial position of the province of Ontario was much different than it had purported to be prior to our government coming to power, which is why we asked Erik Peters, the former Provincial Auditor—about a month prior to the October election in 2003, there was a statement issued by your Ministry of Finance, claiming that the books of the province of Ontario were somewhat imbalanced. Funnily enough, when Mr. Peters had a chance to take a look at the financial position of the province of Ontario, it was somehow \$6 billion in deficit. So, yes, I do recognize that it is what was purported, but the reality was much different, as we found out, and we are dealing with that.

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Mr. Flaherty: I don't want to argue with you. I'm glad, Minister, that, like Paul on the road to Damascus, you've had the conversion to public-private partnerships. I'm also glad that it sounds like today your government is on the road to conversion about balanced budgets, which also will be a good thing so that the public debt will not continue to grow and we won't have this mounting interest payment approaching \$11 billion this year. Imagine what we could do in the hospital sector in this province with \$11 billion per year that's now being spent—close to that sum—on interest.

Having said that, I want to ask you about two more things, and then I know my colleague Mr. O'Toole has questions. One is this process business, and my question is quite sincere, about what you can do to accelerate the process. I say this, having had the experience as Treasurer with what we called SuperBuild at the time. Realizing the governance requirements and the need for transparency in financial arrangements that the province enters into, what possible steps are there that you can take to accelerate the process so more and more of these infrastructure opportunities will be realized more quickly?

Hon. Mr. Caplan: I think that's an excellent question, so thank you, Mr. Flaherty. We are stuck in a lot of time lag between when we decide that we want to do something and when in fact it rolls out and we get engaged in a procurement or a competitive process. One of the things that we think is going to really help us is to do a lot more of the up front planning ahead of time: Link to corporate results; link to the business case. What we want to do is impose a rigour on ministries. I would say that all governments have had the problem of not only what do we want to build, but is it going to achieve the public policy objectives that we have set for it? So we are requesting that at the front end the ministries be able to make that case. This will deliver transformative health care services for reasons X, Y and Z. That's not for me to answer, but for individual ministries. So one of the processes is better upfront planning on what you want to do.

The other thing is much better technical specifications on what you're looking to deliver. Some folks claim to have been on time and on budget; in fact, many of those budgets were developed midway through the process, as opposed to at the beginning. You would be well familiar with some examples of that. We want to be able to, again, at the very front end develop what our specifications are, what we're truly looking to deliver for public policy on the operating side, and impose a rigour and a discipline on the budgeting element. I do believe we can learn lessons over time, and that's why we've instituted an evaluation process. It doesn't start as a post-mortem at the end or at completion, but begins to trigger at the very beginning, which evaluates our upfront planning, our choice on financing methodology, our project management and oversight and on the delivery concepts and any long-term—and begins to develop the virtuous cycle that

all of the literature tells us we're supposed to get in. So we're beginning to develop an evaluative model and process.

Last but not least, our goal is—we are not there yet by any stretch and I want to be up front about that—we do believe we can begin to develop some templates for how these things move forward. That will take us a little bit of time. We'll have to learn the lessons as we move forward, learn them in other jurisdictions as well as here, but I would like to get to the point at some time in the future where—and I'm beginning to discover that each sector has its own unique characteristics—in education there may be templates different from those in the justice sector and different from those in the health care sector. We are working to put those together.

Mr. Flaherty: I hope that you can make the process shorter than your answer.

Hon. Mr. Caplan: Well, thank you. It's a serious question.

Mr. Flaherty: And it was a good answer. I do want to ask you about—and I love this business—you like to compare what you're doing to mortgages. It's like having a mortgage on your house, and I see in your remarks again that the "alternative financing arrangement will not affect public ownership of the hospital." This is the hospital in Sault Ste. Marie. Minister, when someone in Ontario goes to the bank and mortgages their home, who has the title to their home?

Hon. Mr. Caplan: The individual does.

Mr. Flaherty: No. When you mortgage something, you actually transfer the legal title to a person. Most people in Ontario, homeowners, have mortgages. You transfer the legal title, so the mortgagee takes the legal title. I say that to you because you're fond of using the analogy of a mortgage and then saying the alternative financing arrangement will not affect public ownership. I think, actually, it is misleading, and I don't mean that in an aggressive way. It is inaccurate, if I may put it that way, to suggest that it is like a mortgage. If all you're trying to say is that the government makes payments over time, that's fine. But you ought not to confuse the ownership issue with respect to a mortgage, because most homeowners know that when they mortgage their home in Ontario, they're transferring title to the lending institution, and when they pay off their mortgage, they get their full title back, and that's the way it works. I just ask you to bear that in mind when you're using that analogy.

Hon. Mr. Caplan: If I may, this is your legal opinion as a former Attorney General in the province? Is that correct?

Mr. Flaherty: That's what happens when you mortgage a property.

Hon. Mr. Caplan: I asked my summer student to—because I've heard this line from Mr. Flaherty. I wish to bring to your attention the Land Registration Reform Act of 1984. In the definitions part—I wish to quote and read it into the record:

"Definitions

"1. In this part,

"'charge' means a charge on land given for the purpose of securing the payment of a debt or the performance of an obligation, and includes a charge under the Land Titles Act and a mortgage, but does not include a rent charge...."

It goes on, in section 6, under Charges: "A charge does not operate as a transfer of the legal estate in the land to the chargee."

The note goes on to say, "Prior to the Land Registration Reform Act, 1984, mortgages registered under the Registry Act and charges registered under the Land Titles Act were treated differently. The Land Registration Reform Act made them the same."

This act was passed by the Davis government, and I hope that learned counsel from Durham will update his legal knowledge, which is now 20 years out of date.

Mr. Flaherty: I'm glad you're relying on your law student in the Ministry of Public Infrastructure. I think you can do better than that. Now we'll get into a discussion about foreclosure and see if you understand anything about that. That's what happens when you mortgage a property.

I think what you're meaning to say here—and I don't have any quarrel with this, but you should say what it is—is that the hospital financed by the government of Ontario, in the Sault Ste. Marie situation, will make payments over a long period of time that are similar in nature to what a homeowner would make on their mortgage, but you're also saying, at the same time, that ownership is retained in the public sector. I just would suggest to you that that's less than accurate.

Hon. Mr. Caplan: Legal counsel gave us one interpretation. I've now read the statute from 1984. I would suggest that Mr. Flaherty get his legal knowledge up to date. This was passed by the Davis government, I believe.

Mr. O'Toole: I just have a very quick question. Earlier, I asked where I would find in the estimates the actual cost of the capital expenditures, and you suggested it would be in the student allocation portion under the Ministry of Education, in health, in each of the various ministries. What I'm having trouble with is, where and how do I separate both the operating portion of an annualized budget and the capital portion? The way you've described it to me, in their operating advance, under the grant system, how will I be able to distinguish between the mortgage payment and the actual operating budget? Do you understand? I should be able to see, in each ministry, if it's \$5 million a month or \$5 million a year for the payment for the hospital. I should be able to see that in the Ministry of Health for these various hospitals, courthouses—whatever. Otherwise, how do I know it's not confusing operating funding and capital funding, like rent?

Hon. Mr. Caplan: I can only point to the current estimates and the way they're structured. I'll perhaps allow the deputy to provide an answer for you.

Mr. O'Toole: If it's \$5 million, I should be able to find it in each of the subordinate ministries.

Hon. Mr. Caplan: No. Some ministries, like education, don't provide capital grants. While they do have a capital grant for our own assets, like provincial schools for children who are deaf or children who are blind, those are provincially owned schools. But the way they provide capital dollars to school boards is through operating formulae. It is not found within a separate capital envelope. That, I believe, was a change that was made under your government.

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Mr. O'Toole: That's right; in fact, it was depoliticized. That's the point. I'm looking at the Ministry of Education. You said that the province would retain ownership in the schools, hospitals and water treatment. I should be able to very clearly see a separate line that allocates a certain amount of dollars to pay for the new high school. If it's mixed in as part of the student allocation grant mechanism, in the era of declining enrolments, who's going to pick up—are you going to reduce services to maintain those supportive capital payments? And the same in hospitals: If you show that as a direct operational line, and they're stuck with making the mortgage payment or the payroll payment, they will have to cut services to make the capital payment that's committed by contract. Do you follow me?

Hon. Mr. Caplan: I don't believe that you're correct in what you're asserting here, sir, but—

Mr. O'Toole: I'm asking you to table with me a written explanation, at the operational level and the capital level, by ministry, how I can distinguish, line by line, what is actually operational and what is actually capital-supportive payments going forward.

One final question that I want a written answer for—

The Chair: Mr. O'Toole, you're out of time.

Interjection.

The Chair: You're not on the record, Mr. O'Toole.

Interjection.

The Chair: I'm sorry; you're not on the record.

Interjection.

The Chair: I apologize, but I want to make sure that research has accurately captured your request for information. We may need a ruling. I'm not sure that we can ask this minister's staff to look at operating costs in other ministries. It is a fair question to ask them to account for the capital that will be approved and managed through his ministry, as it surfaces in each of the other ministries. If the minister is clear on the nature of the question, we will let that sit.

Hon. Mr. Caplan: Perhaps I could ask if the member could put his question in writing, so we could be clear precisely what's he looking for. But I think you're right, Mr. Chair, that asking us to separate out operating costs for other ministries is beyond our—

The Chair: That's fine. I know what the mandate is here, Minister. I think it's abundantly clear what we're seeking.

I'd like to recognize Mr. Hampton for his 15-minute segment.

Mr. Hampton: Just a couple more questions. You indicated in your answers earlier that not only would the financing, for example, of a private financing hospital be subject to the private financing agreement, and the construction, the design and the engineering, but you also indicated that ongoing physical maintenance of the structure and ongoing physical replacement of infrastructure in the building could all be subject to that initial private financing agreement. So I wanted to ask: Can cleaning be the subject of discussion in that original financing agreement?

Hon. Mr. Caplan: I think you've asked that question, and I did answer that it was up to individual hospital boards to decide if they want to add those elements in, as they can today.

Mr. Hampton: So it can be the subject of the original private financing negotiation?

Hon. Mr. Caplan: I believe I've indicated in my answer.

Mr. Hampton: Can laundry?

Hon. Mr. Caplan: I believe I've answered this question.

Mr. Hampton: I think your answer is yes.

Hon. Mr. Caplan: I've answered the question.

Mr. Hampton: And can portering, moving of patients?

Hon. Mr. Caplan: Mr. Chair, I'm in your hands. I've answered the question already.

The Chair: I don't believe you have, this last one.

Hon. Mr. Caplan: OK. If the hospital board or corporation currently can enter into these kinds of measures, they certainly would be able to as well. But I want to stress that with a capital financing plan, we are not, as the previous government did, imposing upon hospital corporations and saying, "You must include these services when you're moving forward." We're not imposing that one way or the other. Hospital boards are free for this or others to deal as they currently are today.

Mr. Hampton: So a private financing consortium could come forward and say, "We want all of these things included in the private financing agreement," and your answer is, "Yes, that can happen."

Hon. Mr. Caplan: So long as the hospital corporation were willing to allow that to happen. If they did not wish so, it would not be a part of a contractual obligation.

Mr. Hampton: OK. I wanted to just ask another question about financing. We've already agreed that there will be a difference in the interest rate that government could get on, say, a 25-year bond or a 30-year bond and the interest rate that the private financing agent would get on a 25-year or 30-year bond. We may disagree over the amount; you think it will be very slight. People I've talked to said it can easily be in the neighbourhood of 1.5%. But we've agreed that there will be a difference in the borrowing costs, that the borrowing costs for the private financing agent will be higher and ultimately taxpayers of the province will have to pay that as we pay the private financing agent over 25 or 30 years.

Hon. Mr. Caplan: That's correct.

Mr. Hampton: We're agreed on that.

On another aspect of financing, you have said that there's going to be significant transfer of risk. In my experience, when you transfer risk, private sector corporations, because they're in for a profit, want a significant premium for taking on that risk. Have you estimated what the risk premium will be? We may disagree on what the interest rate premium will be, but you must have done some studies; you must have looked at other jurisdictions. Do you have a study, first of all, of what the risk premium will be?

Hon. Mr. Caplan: My understanding is that there is a variation, that there is no standard as far as the way things are set. I'll give you an example. Earlier, I quoted to you that 88% of the time, as found by the UK auditor, these projects come in on time and on budget. So that would mean, obviously, that 12% of the time they do not, according to the study that they had. But let's say, for the sake of argument, that instead of 88% it was 78% and 22% of the time. That means it would be a riskier or higher-risk profile. So the various consortia weigh up what the risk profile is relative to the valuation of the dollar amount and they make a determination as to what would be a normal risk premium to underwrite the likelihood of that happening.

It is very much like an insurance premium. You can insure against any eventuality. If you insure against something that is very likely to happen, with a lot of additional costs, the premium would be higher. If it was a very low eventuality, with a very low cost associated with it, the risk premium would be lower. So there is no standard, as far as I'm able to ascertain, what that risk premium would be.

Mr. Hampton: I'll go back to my original question. Have you done studies? Have you gone out and asked questions about what the likely risk premium will be; for example, risk premium for hospitals, risk premium for schools? Have you done that?

Hon. Mr. Caplan: I've had conversations, certainly, with ministry staff; also with various individuals. When we put together the Building a Better Tomorrow framework, we held consultation sessions around the province, where we invited labour leaders, municipal associations, hospital associations, financial interests, and we talked about these kinds of concepts. So, yes, we have in fact taken the opportunity to inquire, to gain some better understanding and to develop the methodology on moving forward.

Mr. Hampton: I'll phrase my question again. Have ministry officials, your ministry, done studies or commissioned studies as to what the likely risk premiums will be—let's say the risk premium for hospitals, the risk premium for schools, the risk premium for a courthouse?

Hon. Mr. Caplan: No, we have not, to my knowledge, and I'll ask the deputy. We have not commissioned a study for the likely risk premiums in different sectors, as you've just outlined.

Mr. Hare: However, we have met extensively with Partnerships BC, with Partnerships UK, with people in-

volved in Australia to get an understanding of their circumstances, but it's not automatic that their experiences are transferable to our marketplace and our legal system and the way in which things would work best here. So we've taken the approach—and it is based on the framework—to say that the questions you're raising are the very questions that we have identified and worked through on each case to make sure that there is value for money, that we have established that this is in the best interests of the public, the taxpayers of Ontario.

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Mr. Hampton: But from your conversations in Britain, Australia and so on, you must have a sense of what the risk premium will be, for example, on a \$500-million hospital.

Mr. Hare: It depends on how much risk you're asking the private sector to take on, and that varies from project to project. There is no rule of thumb. In each case, you have to look at it and determine what tangible and quantifiable risks there are—and there are other risks that are not quantifiable—and determine which ones you want to transfer to the private sector. That will determine the premium that the bidders will determine individually, how they price the risk they're taking on. It is that competitive bidding process that determines what you actually pay. There is no predetermined level.

Mr. Hampton: I understand that. But the McGuinty government seems to be saying, "We're going to transfer all this risk"—the risk of cost overruns; the risk of construction delays; the risk of maintenance of equipment down the road, which I think I heard the minister say earlier; the risk of construction failure or construction inadequacy. By the sound of things, you're talking about transferring all this risk. If you're not talking about transferring all that risk, then I think the government needs to be clear with the people of Ontario. In terms of the transfer of risk of those things, is the premium 3%, is it 5%?

Hon. Mr. Caplan: As we've been trying to provide an answer to you, Mr. Hampton, there is no set percentage of how the risk transfer is affected. It will be different for different infrastructure projects, and the experiences have been different in different jurisdictions, even between sectors. So is it 3%, is it 5%, is it 2%? It will be different based upon what we're looking to lay off and how it is valued. There's no hard-and-fast rule.

Mr. Hampton: I understand. Here's the Abbotsford regional hospital—you mentioned talking with Partnerships BC. To date, the government has spent over \$7 million in administrative costs to pursue projected savings that were initially estimated at \$3 million over the length of the 30-year contract, construction costs have increased from \$210 million to \$355 million, the annual operating lease for the private sector contractor has doubled from \$20 million to \$41 million and legal and consultant costs for this deal are budgeted at \$24.5 million. Obviously there are a lot of risks here.

I'm left with one of two choices: You either don't know what the risk factor is going to be, despite the fact

you've spent a lot of time talking about it, or you don't want to say. Which is it?

Hon. Mr. Caplan: I think we've answered the question, Mr. Chair. The risk profile is unique. Each individual infrastructure project will be priced accordingly and factored into each project as we move forward—

Mr. Hampton: And you're telling the people of Ontario that this is a good deal and it's clear—

Hon. Mr. Caplan: There is no rule of thumb as to what the risk profile is, whether it's here or for any other project we've been able to ascertain.

Mr. Hampton: One of the other financing issues would be called inflation risk or an inflation premium. I note that the head of the Bank of Canada is anticipating interest rate hikes, possibly a 2.25% increase over the next year or so. I assume one of the things in this contract would be an inflation premium or an inflation risk clause. Can you tell us what you anticipate building in from that perspective: 2.25%, 3%? What is it? You must have a sense of this. You can't be going out and telling the people of Ontario, "This is a great deal," if you don't know these things or don't have an estimate of them.

Hon. Mr. Caplan: I think the answer is the same as to the previous questions: On an individual infrastructure project basis, we identify to the private sector consortia what the risks are and what we're looking to lay off and have them pick up, and they, through a competitive tendering process, will tell us the premium and how that will work. As we've been able to look at other jurisdictions and other projects, there has been variation from one to the other, and there is no hard-and-fast rule.

Mr. Hampton: I just want to ask you a couple of other questions. Do you consider hospital wing renovations to be large projects?

Hon. Mr. Caplan: Yes.

Mr. Hampton: And they're being included in private financing because you consider something like that to be a large capital project?

Hon. Mr. Caplan: You'd have to provide me with specifics of what you're referring to. You asked me if I consider it large. I consider it large.

Mr. Hampton: OK. What's your definition of a large capital project for the purposes of private financing initiatives?

Hon. Mr. Caplan: We estimated that a minimum of \$100 million would notionally qualify for a look at an AFP methodology.

Mr. Hampton: Will private companies retain rights to charge user fees for access to or use of space in, say, a hospital, courthouse or school?

Hon. Mr. Caplan: Currently there are, for example, parking facilities, which charge user fees. That is part of the current practice. I do not anticipate that that will change.

Mr. Hampton: So if a private consortium—

Hon. Mr. Caplan: Or a public consortium.

Mr. Hampton: We're talking about private financing here. If a private financing consortium said, "We want to negotiate that we will have space to rent out in the hospital," that would not be on?

Hon. Mr. Caplan: I'm not certain about that.

Mr. Hare: Through the RFP process we would be determining the functional requirements for that facility.

Mr. Hampton: So it is on? Conceivably it is on?

Mr. Hare: If it were set out in the specifications of the RFP. That gets worked, in the case of a hospital, through the Ministries of Health and Public Infrastructure Renewal and the hospital board to determine the primary cost of the project.

Hon. Mr. Caplan: If, for example, you wanted to have a Tim Hortons in a hospital, I imagine that might be struck as part of the contract. But of course, as you would understand, that does not differ from the existing arrangement today.

Mr. Hampton: My last question: A private financing consortium—

Hon. Mr. Caplan: It could have a Tim Hortons too.

Mr. Hampton:—in building a hospital, could come to the table and negotiate as part of the private financing agreement that they would have control over some of the space in the hospital and would be able to charge user fees for the use of that space. That would be part of the private financing agreement.

Hon. Mr. Caplan: It is conceivable that you could have a Tim Hortons as part of financing or as part of a service that is offered. But I hasten to add that that is the case today.

The Chair: Thank you, Mr. Hampton. I would now like to recognize Mr. Levac.

Mr. Levac: Thanks very much for your deputation today, Minister, and for briefing us. Just a very simple question—I'm hoping that this is the case, but I'm not sure, so I'd like to see if we can get some verification of it. This is a 30-year plan, an outreach into the future. I know it's the first five years that we're talking about in estimates. Places to Grow and the greenbelt legislation talk about planning for the future that has been unprecedented in the province's history. Have there been some discussions with futurists to talk about what our future might look like in transportation, when we do infrastructure to start to implement now, when we start building highways to implement some of those things that we know we'll be catching up to, so that we can include fibre optics, the infrastructure for SLTs and LRTs in the types of things we're already starting to build but will become more futuristic?

Hon. Mr. Caplan: An excellent question. I want to thank you, Mr. Levac, for the question. The short answer is yes. We're doing as much as we can at this point to anticipate what our future needs will be. So the first element is, what size of population are we going to have, what magnitude of jobs are we going to have, what's that distribution around Ontario, or at least around certain super-geographic areas of the province? Then, like we would look at with a greenbelt, in what protected areas would you not want to see growth occur, what are your sources of water, what are your sources of food—things like that. Then the corollary: Where do you want to grow? Where are you going to make your investments in

infrastructure, whether that's roadways, transit or water infrastructure or hospitals, schools or universities? Where do you want to place those in order to have the public services that those communities will need to be successful, in order to make those investments as early as you possibly can to attain maximum benefit?

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This is in fact the Places to Grow documentation. We passed the legislation earlier this year. We are moving toward a proposed and final growth plan for the greater Golden Horseshoe. Some of our findings of other jurisdictions in the world that have moved in this direction include a 20% efficiency savings on infrastructure simply from better land use planning and a better understanding of where things are going to be needed, when they're going to be needed and the methodology you're going to use in order to make those investments.

One of the areas that is always problematic—and I use the example of the Internet. Back in the 1990s, the Internet was at such an infancy stage, but in only about 15 years, it is so integrated into our lives. It is impossible in the context of a 30-year plan to know every scientific advance, every advancement that we're going to have and be able to be in a position to invest and take advantage of it. But we have tried to, and we want to, build in as much ability and flexibility to take advantage of those kinds of things.

For example—and this may seem rather dull, but folks talk about a single-trench system for water, cable, gas and all those kinds of services, so they're not all over the place and can be better coordinated; or new technologies related to transportation; or new technologies especially related to IT, information technology systems.

So yes, we very much want to know where to invest, when to invest and then, of course, the other part is the infrastructure plan, which is how to invest and on what schedule.

Mr. Levac: That brings me to my final question. Not to be a home boy or anything, but that includes in Places to Grow things like GO train service and Highway 424, but we'll leave that for another day. The real question is around the multi-level negotiations. As you've pointed out, and I agree with you fully, this can't be accomplished by one level of government. How are the negotiations going with municipalities and how are they responding, and the same thing about our federal cousins?

Hon. Mr. Caplan: Let me deal with the federal government first. I can't tell you how well received—the province is being clear about where it wants to invest and how it sees growth happening. Oftentimes, the federal government feels like, "You're just providing us with a request for dollars. We'd like to know how this is going to meet some of our sustainability goals and how this is going to meet some of our growth and economic development goals and aspirations." We've been able to, in conceptual terms, provide our federal partners with a blueprint of where those investments are going to be, what the benefits are, what jobs it will be supporting,

what public services we'll be supporting, how we're able to sustain and get into the right life-cycle practices etc.

On the municipal side, I think municipal leaders have been taken a bit aback by the willingness of our government to work in a co-operative fashion in partnership with them. Unfortunately, we've gone through a period of about 15 years where municipal leaders experienced a lot of downloading, a lot of top management dictating down to municipalities what they had to do, how they had to do it and how they had to pick up the costs. This has been one of the real changes and significant differences between the approach of the McGuinty government and past governments.

Somebody said to me, "A lot of the work was started by others," and that's true. Back in the 1960s and 1970s, there was the Toronto-centred region work done by Les Frost and that government and that was, of course, picked up by people like Anne Golden under the NDP and the greater Toronto region outlook, and by the Smart Growth work under Chris Hodgson in the previous government. There have been a lot of attempts at this. But one of the real innovations has been the bringing together of all the partners, having the kind of co-operation and the identification of everyone's respective roles and responsibilities. Municipal leaders have been very clear with us that they appreciate the clarity and the co-operative aspect. They like knowing that the province knows where it's going, knows what roles it will assume, what its partners on the local level have to assume, the clear division of responsibilities and, more importantly, what the outcomes will be for both of us.

For example, in the case of Brantford, while it would not be part of our five-year outlook, we would like to see expanded GO service over time out to Brantford, to Guelph, to Kitchener-Waterloo, down to the Niagara region, out to Peterborough. We would like to see expanded options, as we talk about conceptually in the growth plan, but of course we must go through all of the environmental assessments. We have to have all of the public process. There is a great deal of work from wanting things to happen to realizing them, but we are committed to engaging in that and to getting us there.

Mr. Levac: Thank you, Mr. Chair. I pass to my colleague.

The Vice-Chair (Mr. John O'Toole): The Chair recognizes Mr. Milloy.

Mr. Milloy: I'm going to be different, Minister, from my colleague and not apologize for being a little parochial. As you know, the region of Waterloo has been a leader in terms of planning. I want to talk a bit about urban sprawl. One of the things that they've really focused on is planning for the downtown core, the reurbanization. I know you had a chance to attend a conference several months ago on the whole general concept of reurbanization and how it would work in the region of Waterloo. Of course, there are a number of key tools you've already mentioned in passing. Light rail transit is one of them.

I just wondered if you could comment on how you're trying to bring about this change, this focus on reurban-

ization versus urban sprawl—as I say, I won't apologize for being parochial—some of the things that are going on in Waterloo region and how you see them fitting in, particularly the light rail transit.

Hon. Mr. Caplan: I want to thank you, Mr. Milloy. Waterloo region and Ottawa are probably the two best examples in the province of Ontario where you have either an upper- or lower-tier municipality—in the case of Waterloo, it's both—and you have your Kitchener, Cambridge and Waterloo and the region all on side with big-P planning and big-P policy kinds of concepts on growth management, and Ottawa, the same.

I was out in Waterloo region just last week. I had a chance to talk to the chair, Mr. Seiling, and to the CAO, Mr. Murphy, I believe—

Mr. Milloy: Murray.

Hon. Mr. Caplan: Mr. Murray; sorry—and really express my admiration for what the region has been doing. There is still some work on some of the natural heritage mapping that needs to go on, and I know that's ongoing work, as far as I've been able to ascertain. Where are the water or moraines or lands that you would want to retain? You want to be very careful about changing the ecosystems and making sure that you have the right preservation. Where are the places for potential growth? What are the opportunities for reurbanization and for redevelopment?

The region of Waterloo has been outstanding as far as being able to develop a concept and a methodology. One of the main ones, and one that we're very proud to be supporting, certainly for the planning dollars, is on the Waterloo region light rail plan. We still need to do a little bit of work as far as working with our federal colleagues in particular, but also on developing a solid financing plan to get it moving into more of the middle term.

I really can't say enough about the concept and the approach of the region of Waterloo as far as what it has articulated as far as a different kind of urban forum: the provision of services and revitalization, particularly around usage of post-secondary education as a real tool toward creating some of the nodes that you would want to achieve as destination places, either for employment, for residences, for institutional kinds of usages as well. That's true in Waterloo, Kitchener and Cambridge.

We look to the Waterloo region growth management plan as one of the highest calibres that we have examples of in the province of Ontario. We believe that the province ought to be aspiring to catch up to the leadership of Waterloo region. So we are very supportive of the direction that they've moved in. Their concepts and their methodology are very in sync with our Places to Grow concept and our overall provincial view. I'm very excited about the possibilities of seeing some new land uses in Waterloo region and working with the region quite collaboratively to realize them.

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We of course will be working on, and other ministries are working on, other component parts, whether that was our colleague John Gerretsen, the Minister of Municipal

Affairs, working on a revised provincial policy statement, whether that will be changes that may or may not take place to the Ontario Municipal Board, or whether that will be changes or innovative tools like a tax increment finance. Whether we may have some additional tools and abilities that municipalities have advised us they require, we're very interested in working with progressive leadership, as we've seen in Waterloo region.

Mr. Milloy: I realize that part of this is under Minister Gerretsen, but you came to Kitchener Centre to talk about housing, to make the announcement or help make the announcement of the \$600-million federal-provincial housing agreement. I'm just wondering—I know there were some announcements recently—how that's going to be unfolding over the next while.

Hon. Mr. Caplan: There were three basic components to the \$600-million housing agreement that we struck with the federal government. In fact, it is the single largest federal-provincial housing agreement, as far as I understand, in Canadian history. I'm very proud that our government was able to move that forward.

The three components will be what we know as a traditional capital build-type program. It will support, we estimate, about 15,000 housing units in communities all across Ontario. I believe that Minister Gerretsen is taking charge and working on an application process, whether it be community-based, municipally based or even a private sector provider who might be interested in working with us, of how to be able to access an allocation; how to be able to access the capital dollars.

The second part of the program—and I especially want to give some credit to my federal colleague Joe Fontana—is that we have requested, and municipalities have requested, the ability to provide income supplementation through a rent supplement program so that we could subsidize Ontarians who might happen to be on waiting lists for housing, whether that would be through affordable-housing options provided by a municipality; whether that would be in the private market. Through our agreement with the federal government, we were able to come up with a provision for 5,000 rent supplement units. I know that quite recently Minister Gerretsen announced what the separate allocations of that would be right across Ontario.

The third element, and the one that I think is the most exciting—it hasn't garnered as much attention—is what we call the Ontario mortgage and housing partnership, or, we also have a really great acronym, HOME: the home ownership market entry. It is an affordable ownership program patterned after the Options for Homes program. We also like the model of Habitat for Humanity.

We can provide, through some second-mortgage financing, the ability to help with home ownership opportunities for Ontarians who may have thought that entering into the housing market was well beyond their means and abilities. It's a proven model, one that I'm very proud to be able to support. We are still working on our program design and the options for how to make that work. We're very excited about the possibilities that it

brings up, and we think that through this kind of method, more Ontarians will enjoy the Canadian dream, which is the realization of owning their own home. So we're very excited.

In Waterloo region, with an incredibly strong history, I think of people like former provincial cabinet minister John Sweeney, a member out in Kitchener, and Sybil Frenette, also from Waterloo region. The strong housing history and the strong housing progressive nature of Waterloo region are ideal, in my opinion, for some of the investment on the \$600 million that we're looking to make. It was a wonderful day and an exciting opportunity to be there.

The Chair: Thank you very much, Minister.

Mr. Hardeman: First of all, I have a couple of quick questions to the estimates, if the minister would turn to the book. I think it's rather important that we get to that.

First of all, on page 23, salaries and wages are estimated to increase by 14.8%, and yet employee benefits are declining by 34.4%. The question becomes, are you going to have fewer employees who are paid more, or how does that work?

Hon. Mr. Caplan: Good question. I'm going to ask Jeanette Dias D'Souza again to provide you with the information.

Ms. Dias D'Souza: I think your comment was about perhaps a differing level of employee benefits. Salaries and wages and benefits are largely centrally controlled, and when we plan the budgeting and estimates of our ministries, we take direction from the centre in terms of what sort of ballpark percentage we should be using. So we would have followed the same rule and done so. I'm afraid I can't confirm it for you right now, but I do recall that there was a certain charge that was centralized government-wide, and that may be the difference and why you're seeing an adjustment.

Mr. Hardeman: That would suggest that the actual wages would go up by 14.8% and yet the benefits would drop. It seems to me that if the number of employees goes up, you'd have to drop the benefits dramatically to see a 34% drop in benefit costs.

Ms. Dias D'Souza: Yes, and I'm afraid I can't give you that off the top. But I do know for a fact that in the last year or two there was some charge that was centralized in the government and I think that would account for the lower rate of benefits. I would just point out on the salaries that that's not only dependent on salary wage rates but also on what level of staffing the ministry had at the time.

Mr. Hardeman: On page 32, the contingency fund is being increased. When it hasn't been used over the past two years, why would you increase it this year? Again, my concern as a layperson looking at it, Minister, as in my previous line of questioning, is that they seem to be padded: "We don't know what we're going to spend the money on yet, but we'll just put them in these categories and then we'll put them to a purpose when we decide as we move along."

Hon. Mr. Caplan: Oh, no; nothing of that sort. I'm going to ask the deputy to elaborate on that.

Mr. Hare: The way we deal, for accounts purposes, with the contingency fund is that it gets zeroed out each year, but it actually was largely used last year. But for accounts purposes, it only shows what the amount was, not the fact that there was a use of those funds. Then whatever was remaining, if there was anything remaining, would be zeroed out and it would get established again as a new number. In this case, the decision was made as part of the development of the fiscal plan that this year we wanted a slightly higher capital contingency fund, so we moved it up from \$150 million to \$175 million. As I mentioned earlier, there still is an in-year savings target that partially offsets it at \$150 million.

Mr. Hardeman: On page 34, there's a \$25-million allocation for the Ontario Infrastructure Projects Corp. Are there any projects that are being funded out of that presently?

Hon. Mr. Caplan: Not yet. The Ontario Infrastructure Projects Corp. was only announced in May, as it relates to budget. We do know that it is something we want to set up. We are moving as quickly as we can internally to set things up, and we look forward to it being up and running at some time in early 2006. When it is, the AFP projects and their tendering, negotiation and ongoing management will move over to there, but at this point they're not set up yet.

Mr. Hardeman: I just wanted to go back quickly to the earlier discussions about mortgages and lack thereof. Not being a lawyer or a minister responsible for this portfolio, I'm not as up to speed on that as I might be, but it would seem to me that if I was going to build something and I wanted someone else to put up the money, and I told them that when it's finished, you are going to have no legal connection to that entity because we're not going to allow you to put a mortgage on it or put lien on title, why would I lend you the money? Why would anybody invest if, after they've gotten through with their investment, the entity is sitting on public property, it's a public entity, and I have no ability, other than the contract that they may or may not honour—and it will be signed by the hospital board, not the government. Why would I invest money if I don't have a lien on the building?

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Hon. Mr. Caplan: I can't answer the question of why somebody would do something. All I can indicate for you, Mr. Hardeman, is that in the UK, over 600 of these types of projects have been undertaken by the government there with varying degrees of success. Some of their earlier ones did not go exactly as they had anticipated, but as of late certainly they've had a greater degree of success. And my scan and the scan that has been provided to me by ministry staff has been that there has been no difficulty in getting private sector entities to be interested and to want to engage in this type of a contractual relationship with, in their case, the UK government through their Agency Partnerships UK. In our case, it would be through a hospital board or through the Ontario Infrastructure Projects Corp. Experience alone

tells me that that is not a consideration or a concern for those who want to enter into these kinds of joint ventures.

Mr. Hardeman: But are you suggesting that in the UK there is no lien on title on the building?

Hon. Mr. Caplan: That's my understanding, and I'm not—there's no lien as far as I—

Mr. Hardeman: My understanding is, ownership in the UK stays with the corporation until it's transferred to the public entity when the time is up. That's exactly what we're talking about with mortgages, that they hold title until the mortgage is paid and then they transfer the title. In fact, there are even conditions in the contract of the building itself and what shape it must be in when it's transferred to the public domain. That's not really the point. The point is, I'm a little curious as to what it is that the private sector is going to tell their bankers is the collateral for the money they've put in.

Hon. Mr. Caplan: Why are you concerned about that?

Mr. Hardeman: Because I think it's a lien on the building, and I think it's being somewhat less than totally forthright in suggesting that the private sector is willing to just put up the money on the good graces of the government saying that they will pay it off eventually. I think they have a connection to the building while it's being paid for.

Hon. Mr. Caplan: That's not correct. I'm going to ask Assistant Deputy Minister McKendrick to answer, but that's not my understanding.

Mr. McKendrick: I can give you a couple of examples where they have put up lots of money and have not had the lien or security on the building.

One is all the school boards that have been financed on the Ontario School Boards Financing Corp., which is essentially just a promise to pay from the borrower, from the school boards. The other example is the University of Ontario Institute of Technology. They'll give it to you on the basis of a promise to pay: They know it's an essential service, they know that governments have a good track record of paying when they're supposed to pay, and on that basis they're very comfortable with doing that without getting specific security on the specific physical assets of the entities.

Mr. Hardeman: I don't know if my friend Mr. O'Toole has any, but the last question I have is: We haven't talked much about it today, but is the infrastructure program—APF?

Hon. Mr. Caplan: AFP.

Mr. Hardeman: Is it applied to roads, and do you envision that you will be doing more of those types of roads in the province?

Hon. Mr. Caplan: In the first five years, we're using traditional financing methods for roads. Is it possible for the future? I imagine that it is, but in the ReNew Ontario document, years 2005 to 2010, we do not anticipate nor do we specifically outline any of our projects that would be used with AFP methodologies.

Mr. O'Toole: I'm just curious about the whole idea of a relationship between the investor—that is, the person,

group or organization that's loaning the money—and their security. You have legal staff here. I don't know; I wouldn't be asking the question, but it seems to be playing on Mr. Hardeman's mind, Mr. Flaherty's mind, and Mr. Hampton's mind. If we could have a written, legal opinion on this, I think I would ask for that, because there's been some re-examination of Mr. Flaherty's ability as a practising lawyer, which I didn't think was very professional. But all we're asking for here is, in public clarity, transparency, blah blah blah, the answer to that question in writing.

We don't need your verbiage on this. We'll get a legal opinion and it will be cited in the House. What is the relationship between the lender of the money and the ministry that's actually charged with paying the monthly mortgage on the lease of capital? Really, it's a lease-of-capital arrangement, as I understand it.

Hon. Mr. Caplan: My understanding from the earlier questioning from Mr. Flaherty was the supposition that a mortgage transferred title—

Mr. O'Toole: Let's not get into that.

Hon. Mr. Caplan: Please let me answer the question—from the mortgagee to the mortgagor. I think that was successful in meeting the current statute. As it relates to the province of Ontario, that arrangement is not the case. Ownership and title are retained by the mortgagee, and that has been the case since 1984. I don't know that another clarification is required. I've read the statute in the Land Registration Reform Act, 1984, as passed by the Legislature of Ontario.

Mr. O'Toole: I could also speculate that in the contract, which none of us have seen, or the RFP or RFQ process, there would be provisions for failure to comply or deliver etc. In that, it would obviate that they'd have to have some collateral on the expense of the capital that they have forwarded you to complete the project. If there's a failure in any way, I would think we'd spend a fair amount of time in court—as you are with the 407, trying to clarify a contract, for better or worse, I suppose. What were the provisions on which they could up the fees; what were the provisions that you pay a benefit? It could be inflation plus 1.5%.

All I need is your legal opinion, in writing with your LLD or whatever it is there, saying this is the answer, so we won't spend any money in court. I'll put to you on the record today that all those commercial contracts—they have a whole building of practising commercial lawyers. All they do is contract law—buildings of them. If you're telling me that you haven't resolved the question from Mr. Flaherty—you've quoted a 1984 act—tell me what your position is in these contracts, these RFPs. You're not a lawyer. You can read; I understand that. I'm not trying to be smart or belittling, any more than you did Flaherty. I want to try to establish this. There's a lien of some sort somewhere to get the capital. I don't care if it's from OPSEU, OMERS, General Motors, or GE Capital, for that matter. Whoever is giving you the money is going to get paid plus provisions for exposure to risk, whatever it is. If there is a problem—a design failure, an

architect, you didn't put in an elevator, whatever, some anomaly—you will spend more in legal fees—I'm just telling you. I'd like your answer in writing as to how they spread their risk.

Mr. Hare: We cannot provide you with a legal opinion. However, we can provide you with a description and some examples of the kinds of risk you're talking about and how they're dealt with in terms of the contractual arrangement between the government, whether it's through a ministry, and the consortium that's providing financing and construction services.

Mr. O'Toole: I'll just give you one example. For instance, at the bank they're going to quote prime rate. Prime rate today is tied to some kind of inflation issue, and interest must always exceed inflation. That's the fundamental rule. So if we see pressure in the last three quarters and see pressure on interest—let's say interest goes from three at prime to six. Your payments will double. How do you, without cutting services—and what does the contract say about inflationary clauses? You aren't being completely transparent. Although it's in your presentation, you're only read it. You don't write it, David; you read it. I understand that process to the extent that we're looking for some certainty that this future debt—because at the end of the day, your presentation said it. This capital that we're taking advantage of today for the betterment of us all is going to be paid for in the future. You can call it debt, you can call it monthly cost of capital, you can call it whatever you wish. If there are pressures on the economy—that's why we quit building a lot of the infrastructure. Howard knows better than anyone. The economy collapsed and you couldn't get any more money.

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I look at the whole budget of \$70 billion. It's about 75% wages and benefits. So the amount of capital really available to do all these things, the \$30 billion you're talking about, is ultimately future taxes. You're just not doing it on the debt side; you're doing it on the mortgage side. So the person who holds the mortgage—maybe they don't have title to the property—wouldn't want it anyway in 40 years if it's a 40-year term on the money. You're saying that all the hospitals are now 42 and they've all got to be replaced. So who in the hell would want it? You're going to assume the liability at the end of the mortgage period. I don't know whether it's 30 or 40 years, these mortgages you have. Do you see my point?

You read the speech very well. I understood it. If we're going to build \$30 billion or \$100 billion in capital, the people of Ontario are going to pay, and Howard's point is, they're going to pay a premium. We haven't been told what the risks are to the public. We haven't been told about these inflationary clauses or recessionary clauses or failure-to-comply clauses. So you've left more unanswered questions despite the 30-some-page speech, in my view. And the transparency and accountability argument—I can't believe a thing that Dalton tells you. It's a matter of trust. So I don't really have a question.

The Chair: Thank you, Mr. O'Toole, and thank you, Minister.

Mr. Hampton: I have some questions.

The Chair: And you have 15 minutes.

Mr. Hampton: Just a follow-up question to what I asked before. You admitted, for example, that the transporting of patients into the hospital and the movement of patients within the hospital could be the subject of a private financing agreement. That could be a task or a service if—

Hon. Mr. Caplan: Mr. Hampton, I was very clear. If a hospital currently can engage in that kind of contractual agreement, then there will be nothing to prevent them from engaging in that in the future. I don't know if they can do that currently under today's health care model. If they can, they will continue to have the ability to do that. Is that clear?

Mr. Hampton: So conceivably, orderlies and people who look after patient transfer within a hospital could in effect become the employees of private consortia?

Hon. Mr. Caplan: If they could currently, now, have that kind of arrangement, yes, they could in the future.

Mr. Hampton: And you're OK with that kind of practice?

Hon. Mr. Caplan: If they could now—

Mr. Hampton: The McGuinty government is OK with that kind of practice?

Hon. Mr. Caplan: Mr. Hampton, I don't think I could—if you have questions around the health care operation end, I know the Minister of Health and Long-Term Care will be here to answer those questions. I can tell you that a capital finance model does not determine what those operational questions are, nor does it force upon a hospital board or a hospital community those types of arrangements. If they currently can engage or enter into a contract for the provision of those services in an alternative form, they will be permitted to do that in the future too.

Mr. Hampton: You'll appreciate that I'm trying to get your answers because in a short while we'll be trying to get Minister Smitherman's answers too.

From your perspective, from your knowledge, what areas in the hospital or what work in the hospital will not be open to negotiation in a private financing, private alternative infrastructure procurement agreement?

Hon. Mr. Caplan: Certainly, medical services, clinical services, will not be. But this question is much more appropriately before the Minister of Health.

Mr. Hampton: I intend to ask him; don't worry. I just wanted to know, in terms of government policy, if you've set some parameters.

The reason I ask this is because in Durham, England, in the private financing hospital there, doctors have been forced to ask ambulance drivers to wheel patients right into the wards. It turns out that the profit-driven consortium deemed that portering patients was not its responsibility, and it was something that hadn't been nailed down in the contract. So legally, things like this would become very important. I'm trying to figure out how much your government has thought about this.

Hon. Mr. Caplan: To be fair, you could highlight any other operational problem, whether it was in the tradi-

tional or some other means, but then extrapolating that to any kind of future capital model, in this case, or any other operations model—I think it would be unfair to suggest that we would not learn from the experiences in the past. That's precisely the point: We want to know what's happened in Ontario. We do know that the NDP's P3 of Highway 407 and the Tories' fire sale and loss of control are areas that we don't wish to repeat. We've built in safeguards based upon those kinds of experiences. I think we'd want to understand the experiences in other jurisdictions as well about what has worked and what has not worked and what lessons we can import into Ontario as we move these arrangements forward. I think that's fair to say.

Mr. Hampton: Which bring me to the next question. I've asked you a number of questions about transfer of risk, and I must say that the answers are clear as mud, so I'll try again. When you say "transfer of risk," when the McGuinty government says "transfer of risk," specifically and precisely what do you mean? I'm talking in the context of hospitals. What risks do you seek to transfer? Can you itemize them? Can you be specific about them?

Hon. Mr. Caplan: OK. Financial risk of cost overruns and delays: Costs on public sector building and maintenance can be transferred over time. Those are the primary ones. Financing risk, delivery risk and life cycle risk are the major ones that we would look to certainly protect against.

Mr. Hampton: So you've zeroed in on financing risk, delivery risk and life cycle or maintenance risk. Yet when I ask you if you have looked at other jurisdictions, do you have an estimate of what it will cost to transfer these risks, what the premium will be—for example, financing risk. You must have determined some level, or you must have your sense, of what it will cost to transfer financing risk. Will it add 2% to the contract, 1% to the contract? What's your estimation?

Hon. Mr. Caplan: I believe this question was asked, and my answer still remains the same, that, as we've been able to determine that, it is on a case-by-case basis and on an individual circumstance basis. We go through a competitive tendering process in order to add all of the various elements in. There is no hard-and-fast rule of thumb related to the valuation of those risks, as we can determine, in any jurisdiction, nationally, domestically or internationally. That's the same answer I provided to you before.

Mr. Hampton: If you have no estimate going in of what's a good deal, what's a modest deal or what's a bad deal, how do you evaluate, how do you judge, what is a good outcome for the public or what's not a good outcome for the public? It seems like you're going into this process with blinders on, knowing, or not being willing to admit, what you're looking for or what your estimate is. How do you know if you're going to get a good deal if you haven't ascertained what the realm is, what the boundaries are?

Hon. Mr. Caplan: As I indicated to you in an earlier answer, and I'll reiterate the same point, what we do is

we develop what's called a value-for-money benchmark, or what it is we're looking to develop—and it's within a range; it's never exact—what it would cost and, as a comparison, should the public sector want to deliver it though a capital model. What we do is, if the private sector comparator is within the acceptable range to determine value for money, we would proceed. If the provision of all of those risks or additional costs was above what the value-for-money benchmark was, we would not proceed with the private sector comparator.

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Mr. Hampton: So in financing risk, do you even have a range?

Hon. Mr. Caplan: I've answered this question a couple of times and I'll still provide you with the same answer.

Mr. Hampton: What's the range?

Hon. Mr. Caplan: Our scan internationally is that there is no hard-and-fast rule related to the estimation or the pricing of risk, that it varies from infrastructure project to project, between sectors and between various scales and sizes. There is no hard-and-fast rule of thumb.

Mr. Hampton: What about delivery risk? You've taken the time to say, "We're focused on financing risk, we're focused on delivery risk and we're focused on life-cycle or maintenance risk." Do you not have any estimates of these either?

Hon. Mr. Caplan: I think I should have given you perhaps a fuller explanation. I've provided to all members the Building a Better Tomorrow framework. On page 30 we've provided a sample of risk categories and treatments and how things would work; certainly what some of the major risks are. But I would say that for all of the risk categories we've provided, and for others, there is no hard-and-fast rule about how they're assessed, how they're evaluated and how they're priced. We've tried to outline what the major risks are and which ones could or may or may not be included. You can ask me about them individually. I will provide you with the same answer.

Mr. Hampton: You did indicate that you'd be doing some value-for-money benchmarks.

Hon. Mr. Caplan: No, I didn't indicate that; I indicated that, for individual projects, we will have a public sector comparator at the time, and they will be developed, yes.

Mr. Hampton: Is that information going to be made public?

Hon. Mr. Caplan: I believe so, yes.

Mr. Hampton: Can you then explain why, for example, there was a value-for-money analysis done of the William Osler Health Centre in Brampton? This is the P3 that you used to condemn the Conservatives for, and now you've signed on to it. We understand that a value-for-money review was done by Deloitte and Touche, I think it was. Yet the Ontario Health Coalition has gone to court to try to have that released, so the public will have some sense of whether they're getting a good deal or not a good deal. They're being told that your government will not release that.

Hon. Mr. Caplan: As a former Attorney General, you're quite familiar that this matter is subject to a court proceeding. You are quite familiar with the sub judice rule that prevents me from getting into the details of matters that are currently before the court. You're quite familiar with that. You do know that this is in the hands of the courts right now, and we will ask them to adjudicate it accordingly. I regret that I just can't share anything further with you.

Mr. Hampton: So you can't tell the people of Ontario if you're going to make this public or not?

Hon. Mr. Caplan: Not as long as it's a matter in front of the courts, and you well know that.

Mr. Hampton: In principle, are you going to make these benchmarks—this was an estimate of whether the public is getting a fair deal, not a good deal. These are public dollars, taxpayers' dollars. You say they're going to be public hospitals. It is the public's health care. Why shouldn't the public have this information?

Hon. Mr. Caplan: We believe they should.

Mr. Hampton: So your only excuse is that this is subject to the court action right now.

Hon. Mr. Caplan: It's not an excuse; it is subject to a court action right now.

Mr. Hampton: My understanding is that the Ontario Health Coalition went to court to have this information released because your government refused to release it.

Hon. Mr. Caplan: I don't know the motivations behind the Ontario Health Coalition.

Mr. Hampton: Do you know why your government refused to release this information in the first place?

Hon. Mr. Caplan: I believe that the court action commenced prior to our government taking office.

Mr. Hampton: All right. We'll leave that for now.

Can you give me an example of how a transfer of risk will be built into a typical P3 private financing contract?

Hon. Mr. Caplan: First of all, we're not doing P3 financing contracts. Our concept is called AFP, which is quite a bit different than the NDP-Conservative P3 approach. I do want to continue to stress that. We would outline in the request for proposal which risks we were looking to transfer; highlighted in the document that I had mentioned to you earlier, perhaps we would not transfer. We would shoulder some of those risks on our own and then we would ask the private sector consortia to evaluate price and build into the contract how the management of those risks would work.

I want to ask Assistant Deputy Minister McKendrick to perhaps elaborate on that.

Mr. McKendrick: If you look at a bank's construction loan, they will reserve certain rights to themselves to make sure that appropriate due diligence and controls are put in place. The first thing they will do is have an appropriate review of the budget for the project to make sure it is reasonable. Typically, when governments or hospitals do their own budgets, they don't bring the same level of due diligence to that.

The second thing they will do is hire a cost consultant to make sure that they have appropriate monthly monitoring.

Mr. Hampton: Reasonable for whom?

Mr. McKendrick: That the budget is reasonable, period.

Mr. Hampton: For whom? For the bank?

Mr. McKendrick: No, just that it makes sense. It's like they've made an estimate that's realistic. What happens is, people put in a number for a budget knowing that they've put in a lowball budget to get it approved, knowing that it's not realistic that it can be built at that price.

Mr. Hampton: Do you think P3s or private financing is going to fix that?

Mr. McKendrick: Yes, because they—

Mr. Hampton: Have you looked at all of the examples from Great Britain where private financing was used and it was later shown that there was gross underestimation of what the actual costs of building the medical facility would be?

Hon. Mr. Caplan: I think the point is, by achieving price certainty we will not experience the kind of cost overruns and over-time delivery that has been a hallmark of large-scale infrastructure projects in Ontario, and in Canada as well. By engaging in this practice, we believe that, as was evidenced by the UK auditor, 88% of the time the projects came in on time and on budget.

Mr. Hampton: It came in on time and on budget, but the evidentiary trail says that many of these facilities are substandard facilities: built on a former garbage dump, so that when it rains, the rats start running around the hospital building; inadequate construction or other things like that. It's one thing to say they came in on budget and on time, but it's quite another thing to say that they provide adequate health care.

I read the results from Great Britain saying that in terms of quality health care, these things have been disasters and they continue to be disasters. The only way you can fix the disaster in Britain is to go out and raid mental health budgets, community health budgets, home care budgets, to overcome the inadequacies of the private financing. Have you looked at any of these things?

The Chair: Thank you, Mr. Hampton. I would like to recognize Ms. Di Cocco now, please.

Ms. Di Cocco: It's a long day today, the seven hours, and I think the minister is holding up well.

The Chair: Did you get lunch?

Hon. Mr. Caplan: I did, thank you. It was very good.

Ms. Di Cocco: I'll start off with a comment. I find that there's a great deal of rhetoric to describe the APF, or alternative public financing, as privatization, to describe it as the P3 hospitals, to describe it as some of the projects that probably did not do very well, some of the aspects that we can learn from in other countries that maybe are not quite as transferable here as someone would like us to believe. This whole notion of what an APF is and built on those principles—I mean, no system is going to be perfect and nobody has a magic wand. On the other hand, one would hope that the government is putting into place a very thoughtful approach for a long-

term solution to the gaps and the challenges that we have in public infrastructure that we need in this province.

My question is, Minister, if you could explain again the difference between APF and what is suggested to be privatization, and also the difference between APF and P3s.

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Hon. Mr. Caplan: Thank you for the question, Ms. Di Cocco. If I could, it's AFP, alternative financing and procurement.

Ms. Di Cocco: AFP. I'm sorry.

Hon. Mr. Caplan: Just a general comment first: Anybody who would tell you that we're going to achieve a different and better result by doing things the way we already have—where's the credibility that you actually would do that, that somebody would do things better by doing them the same way? By definition, you are almost guaranteed to achieve the same results: a big deferred maintenance backlog, and infrastructure investments or hospitals or courthouses or highways or schools not being built. I guess the first comment I would make, if anybody tries to tell you that the status quo will get you a change, is that I just don't see how that logically or practically follows through.

Before I get to the differences between the NPD-Conservative P3 approach and our AFP approach, I want to quote from Hansard, February 5, 1997: "OCWA was created under our government and it is an example of the benefits of the partnership between the public sector and the private sector. I have no problem with these kinds of partnerships. I think they make sense. There are a lot of ways that the government can work together with the private sector to enhance the services we provide, to make them less expensive. There's a way that everybody can win in these kinds of public-private partnerships."

That was deputy leader of the NDP Marilyn Churley, back on February 5, 1997. There has obviously been a shift in thinking over time that we can engage in different ways and look to configure in different ways and invest in different ways to achieve different and better results. That's really the genesis of what we're talking about here.

The P3 approach and its ultimate example, building in everything and transferring everything to the private sector: transferring ownership to the private sector, transferring operations and maintenance and management—aside from designing, building, constructing and financing, there are a whole range of activities. My quarrel with both previous governments' P3 approach was not rooted in any sense of principle at all. In fact, the main differences between AFP and P3s are the five core principles that I elaborated on: public interest paramountcy, appropriate public control and ownership, demonstrated value for money, clear accountability, and fair, transparent, open processes. Those are the things.

The previous two governments' P3 approach was shrouded in secrecy—no contracts were made public that I'm aware of. There was no third party oversight for value for money. There was no fairness commissioner as

to process; there was no oversight, no referee or umpire, that everything was aboveboard and everybody had a fair opportunity to win bids. These are major differences between the previous governments' P3 approach and AFP.

We call for value for money to be demonstrated, to be verified, to have third party validation. We call for the contracts to be made public. We call for oversight by fairness commissioners, and we've just tendered to take on fairness commissioners. The question of ownership and public control is key. We will never, under an AFP framework, relinquish public control of our valued public assets. In the case of hospitals, schools and water and sewer systems, we will always retain public ownership. These are key and critical differences between the P3 methodology and AFP.

Are there similarities? Sure there are similarities. There are similarities between what's been tried in other places as well. But there are significant differences too. I think I want to make exceedingly clear that we are proceeding in a different way. We are going to get the investment going because it's just too important not to. In order to reduce wait times, in order to lower class sizes, in order to have an economy that rests upon access to the American borders—of course, being in Sarnia, you'd be very familiar, Ms. Di Cocco, with well-working borders—for transportation, highway and transit systems that are key lifelines for us, in order to get those investments going, we are taking the range of strategies that we call for in AFP.

And that's another difference. The previous government, in their incarnation of their SuperBuild, said that half of our investments would come from the private sector and half would come from public finance. In the UK, the most advanced jurisdiction as far as using these types of alternative financing methodologies, it is only I believe 15% of their entire capital program. We're calling for less than 10%, because we know that in order to do things, we're going to have to learn some of those lessons that you talked about in your opening comments. We're going to have to learn some of the things which go the way that we anticipate and some of the things which perhaps are not foreseen. We're going to have to, potentially, make modifications, improve upon processes and improve upon our negotiations, and understand these things and develop them and deliver much better for the people of Ontario.

We are determined to learn from the UK, from BC, from Australia and from the United States—from all those experiences—plus our own domestically as well. We will not repeat the errors, some of which Mr. Hampton has talked about, others of which I have talked about. We are determined not to repeat those errors.

Ms. Di Cocco: It's interesting because of the evidence of public infrastructure that has been built in the past through the status quo. Sometimes, as I said, the overruns ended up being astronomical. Actually, a number of very strong NDP supporters—certainly in my riding we had a discussion about it—agreed that the evidence is that the

way it was being done wasn't cost-effective, considering the 60% and 70% overruns on projects in some cases.

There's another aspect that I would like some clarification on. This interpretation of mortgages, that one does not own—I was at a town hall meeting and this exact type of comment was made: "No, you don't own your house because you have a mortgage," which took me by surprise because I thought I did own my house. I thought, "There's something here that I obviously either missed or I need some clarification on." I now have this opportunity to ask the minister, in that kind of contrast or that kind of analogy, if you could explain again this concept of a mortgage and ownership.

Hon. Mr. Caplan: About three years ago, my wife and I bought a house as well. We went to our bank and we got a mortgage. I can tell you that the title is in my wife's name. We're no different than any other couple, insofar as the dream of home ownership is part of the Canadian dream, so to speak. I was surprised and taken aback several months ago when Mr. Flaherty suggested that a mortgage somehow transferred title from us over to our bank. That's why I asked for some research to be done in this regard, whether that was true or not. I did discover—I'm not a lawyer so I didn't discover it myself, but I had some students do it—that in 1984 the Land Registration Reform Act was passed by the Davis government. It provided for a charge: "A charge on land given for the purpose of securing the payment of a debt or the performance of an obligation, and includes a charge under the Land Titles Act and a mortgage, but does not include a rent charge." In section 6, "A charge does not operate as a transfer of the legal estate in the land to the chargee."

So if you own something and you want to place a mortgage on it, you don't transfer the ownership to your mortgagor; you in fact retain ownership, but, of course, the property in this case is collateral against payment of the debt. Ownership is retained and, in the case of the way that we're moving forward, will always be retained, for hospitals, for schools and for water systems. On this I can be abundantly clear, and nothing—and I want to repeat, nothing—in the financing arrangement will change that in any way, shape or form. The public and the public hospital board will retain the deed and the ownership of that hospital, and it will at all times be publicly owned, publicly controlled and publicly accountable.

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The Chair: Thank you very much. As it is 3 o'clock and we are slated to adjourn at the end of the day to reconvene tomorrow, with one hour remaining for today, I'm going to recognize Mr. O'Toole for a 20-minute segment, then Mr. Hampton and then the governing party.

Mr. O'Toole: Thank you, Chair, for that clarification. Just following up on the mortgage discussion, I think it's important. When I had a mortgage once upon a time, I recall that a condition of the mortgage with the bank was that I carry insurance, and the benefactor of that

insurance was in fact the bank. So failure on my part would be breaching a contract in any way, where the bank would take over. Irrespective of the interpretation given by your law student, I still put on the board, as Ms. Di Cocco has outlined as well—even your own caucus is confused—what assurances are there for the third party?

I'm going to ask a couple of questions along this line, and this would really all come under the umbrella of conditions under the RFP process. In the case of a mortgage model, the property—be it a hospital or a school—must maintain insurance, of course, of some sort, including, I would think, property and liability insurance. I'm wondering if, under the alternative financing and procurement model, it would dictate that there must be insurance, some other arrangement or carrier. Could indeed the consortium themselves form another group to actually offer the insurance?

Hon. Mr. Caplan: I'm going to ask Assistant Deputy Minister McKendrick to reply.

Mr. McKendrick: Typically, you look to see what the existing insurance arrangements are, so if they're self-insured, you want to continue self-insurance. You don't want to add or ask the consortium to provide an additional level of insurance that's not already there.

Mr. O'Toole: What if it burnt down?

Mr. McKendrick: If there's self-insurance already, then you would cover it under self-insurance. I'll give you one example—

Mr. O'Toole: Which would be the government.

Mr. Kendrick: Yes, but let me give you the example of water bombers. We finance them to the Ministry of Natural Resources and, typically, when you have 45 aircraft in the province, if you lose one, it's not that big a deal compared to the private sector, because you've got 44 other aircraft. When you have your own house, a loss to you is catastrophic because you have no other alternatives. The purpose of insurance is to spread your risk among a whole bunch of your assets. So if you have a wide diversity of assets, then you self-insure. I don't know the specifics of how hospitals insure now, but you'd want to look at that before you decided how you were going to treat it under one of these arrangements.

Mr. O'Toole: That's kind of why we're asking the question. I guess I still feel that under the conditions of the monies being advanced for the capital project and for the development of the project, under some term, whether it's a 25-, 50- or, in the case of the 407, 99-year leases—it's a lease sale. It's the right to conduct business over a 99-year period. The province of Ontario still owns the land on which the 407 was built and, as such, controls planning and other continuous extensions of potential land use on those facilities.

I'm kind of wondering, under this brand new method—which is being somewhat circumvented here because we're not getting a direct answer. I guess it's just goodwill that the province of Ontario won't fail to make its obligations, its payments.

Mr. McKendrick: They know that if the province or the hospital failed to make its payments once, that would

be the last time they would get away with it. They would never lend money again.

Mr. O'Toole: Yes; it would affect your bond rating, your credit rating and a whole bunch of other things. I understand that.

Mr. McKendrick: There's a strong motivation.

Mr. O'Toole: I just wondered: Over this term or period where there's potentially some litigation that could occur, let's say that the land is—right now, public buildings in municipalities, I believe, pay payments in lieu of municipal taxes—bills. Do they today pay payments in lieu of taxes—I understand they do; I'm just clarifying—on all public facilities? That is, they pay taxes to the municipality.

Mr. McKendrick: Hospitals typically pay, I think, \$75 a bed, payments in lieu of taxes.

Mr. O'Toole: Are there any other conditions under the RFP where the municipalities may seek a different arrangement for the purpose of taxes? If it was a commercial facility for instance, a private jail; they don't pay payments in lieu; they pay municipal taxes. That's the difference between the two.

Mr. McKendrick: My understanding is that the publicly owned correctional facilities pay \$75 a bed as well.

Mr. O'Toole: Including the private one, Lindsay jail?

Mr. McKendrick: I don't know. I can't speak to that one.

Mr. O'Toole: I don't know, and I'm wondering if there's any risk in going forward on those yet-to-be-determined burdens of financial cost, because you say right here in your own documents that at the end of the day the taxpayers pay.

Mr. McKendrick: The objective here, by keeping them publicly owned, is that you will continue to pay the \$75 a bed.

Mr. O'Toole: The other thing on the same model, which is more or less the mortgage model: I'm wondering if there's anything that would favour the contractor in bidding for other in-facility services. For instance, whether or not MRIs are used all the time under the Public Hospitals Act or used part of the time under insurance work or other opportunities to make use of capital equipment, is there any priority given to the mortgage holder, if you will, the option of making use of those facilities?

Let's say there's a conference room or boardroom in a hospital. It could be used by outside parties, and a fee charged. Would there be any part of that facility, whether it's Tim Hortons, a McDonalds or whatever, given in favour to the developer of the property in the RFPs themselves? Would the language in the contract favour the proponent, the developer, in having the first right of refusal to make use of ancillary facilities like a cafeteria, a coffee shop, a non-used boardroom, a teleconferencing centre or even lab facilities that may not otherwise be in full use? Some of the MRIs and CT scans today don't make use of 24-hour service.

Hon. Mr. Caplan: On the operations side of diagnostic equipment, those are the operations-type questions

best directed toward the Minister of Health and Long-Term Care. As to the other elements that you've speculated on, Mr. O'Toole, it is rather hypothetical in the absence of a contract to refer to. I certainly wouldn't want to speculate one way or the other without knowing concrete details. In my estimation, it would be prudent to define use and access and questions of that nature, that those would be defined ahead of time so that there would be some certainty for the people in the hospital or for the proponent or for the public to know what the answers to those questions are. I would imagine that that would be the subject of whatever the contract negotiation would be, to outline what those particular details are.

Mr. O'Toole: That makes sense to me and, as you said before, on a sort of case-by-case basis making use of facilities, whether it's for a university to use it, teaching faculty of pharmacy or whatever at an up-to-date, modern lab which would be in one of your hospitals, or even Telehealth or eHealth, some of these more innovative ways of making the best use of capital and infrastructure. This would be looked at on a case-by-case basis, I suspect, and not necessarily favour the proponent unless it also favoured the government. If the contact was good because they had some options that may affect price, options on common spaces like cafeteria, coffee, if that gave you an advantage in the overall cost of the project to bring that service to the people of Ontario; is that what I hear you saying?

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Hon. Mr. Caplan: Those would be determinations of a local hospital board about what its policies would be and whether it would want to enter or add those additional elements in. If they did not wish to, or if they wanted at all times to maintain that, that certainly would be acceptable to us. It's very hard, in a hypothetical situation, without knowing the individual details, to be able to provide you with any kind of clear sense of how things would work, in the absence of contract language specifically spelling that out.

Mr. O'Toole: I'm buoyed by the openness of the minister as well as the practical applications of some of these things. I'd have no problem at all with the overall look at a major hospital facility, taking advantage of a Shoppers Drug Mart being on-site. It's health care; it's health equipment; it's operated under a larger business plan. I follow that. That would be looked at as a case-by-case, so it's not pre-emptive.

I remember the broad discussions, even the time I was on regional council in Durham, and in fact when we were government, looking at the Durham courthouse, which you've mentioned. The idea was that it always was going to be a joint-use building, facility. In fact, many of the lawyers practising in provincial law would have offices there, hopefully. Some of the other ancillary community services, whether it's probation or it's paralegal services, could and would be renting space that's contingent on having a centre of purpose, like a court facility which would attract those victims; it would attract persons being charged; it would attract lawyers; it would attract

other experts in that whole area. In this case here, you made it very clear that a courthouse could easily be a commercial lease-back facility.

Hon. Mr. Caplan: They currently are. In fact, the regional headquarters in Durham house the provincial courthouse. We lease that space from the region of Durham. I believe—

The Chair: Thank you. You find yourself advising the member about things in his own backyard. I just felt that it—

Hon. Mr. Caplan: My apologies.

The Chair: Thank you.

Mr. O'Toole: The Chair is right for interrupting, because you had answered the question I had put to you. That has always been the discussion in Durham and specifically is ongoing right now, as we speak, because of the agreement you've made there more recently on parking and other things until there's transitional time for the new courthouse and the current facilities at the Durham regional headquarters. It shows the flexibility to make wise use of investments.

I still put on the record, as most commentators and questioners here have been on this transparency issue, that it would be good to clarify that in a broad principle—you say that there are five clear principles—all of these contingencies that have been brought up here today would make sure that the lender and the agreement ensure, outside of goodwill, that they will maintain this property. As you said in your document here—it's called Building a Better Tomorrow, which is really good, actually—the infrastructure asset management plan will “develop asset management and information systems addressing asset inventories, state of good repair, life-cycle costing and future investments,” which kind of ties into the point I was getting at. All these facilities—correctional facilities, government services, licensing offices, you name it: You'd have to provide all this stuff. There must be somebody in the Ministry of Finance or somewhere who knows that every time you add a bed in a hospital, or in a prison, for that matter, you're adding a permanent cost forever that has to be maintained and capitalized, because you're not going to cut that service, hopefully. Do you understand? So you must have some idea of what the actual maintenance of capital going forward is for the province, based on some formula, whether it's population growth or life-cycle costing. Would you agree that we must say that if we're going to commit another 500 beds in Ontario, that's a perpetual cost of capital going forward for as long as we can imagine, an additional cost to the one payer, the taxpayer of Ontario? Would that be fair?

Hon. Mr. Caplan: If your question is, are there operating implications for the capital, without doubt, yes. If you're asking me to quantify that, I'm afraid I can't provide you that kind of analysis. We are working with partner ministries, whether, in the case of a courthouse, with the Attorney General and the Ministry of Community Safety and Correctional Services, or, in the case of a hospital, with the Ministry of Health, or, in the case

of a university, the Ministry of Training, Colleges and Universities.

I appreciate your comments and take them at their face value regarding what we've laid out as far as a framework for investment, as far as a framework for moving forward on the difficult matters of infrastructure that have eluded governments of all stripes for a good long time. The first section, 1.1, was the infrastructure challenge, just what it is we're facing, and in 1.2, right out front, we state what our core principles are moving forward.

I want to reiterate to you and all the members of this committee, as well as the general public, that we undertook a process of consultation around this province—eight round table sessions. I believe our first one was in Hamilton; a couple in Toronto; we were out in Ottawa; we were up in North Bay. My parliamentary assistant, Mr. Rinaldi, attended all of them as well. I want you to know, we invited financial people, representatives from the construction sector, trade unionists and labour representatives, municipalities and their representatives, hospitals, school boards, the various sectors that have some of the same infrastructure challenges that we do. We talked very openly about, what is the problem?

First of all, is there a problem and what is the nature of it? Secondly, what do we do about it? What are the various strategies and ways and means that we can bring to it? It culminated in asking, what are the guiding principles—in whatever it was we were going to do—that would guide us as we moved from identifying what the problem was and what the challenges were toward the identification and delivery of the solution?

This work, although guided under the Ministry of Public Infrastructure Renewal, is a compilation and a synergy of all of those folks coming together. It took us a little bit of time, but I think we put together some very solid strategies, some solid methodologies, some solid processes in order to take us where we need to go.

I say with the greatest amount of candour possible that this infrastructure investment has been left for far too long. Our cherished public services, our quality of life, and our economy rest upon infrastructure, and without the very necessary investment across the range of strategies, we imperil all that we have sought to build over time.

I thank you for your comments and insights regarding the framework, and I thank you for allowing me the opportunity to share with you how we derived many of the techniques, statements, principles, directions and strategies contained in this document. Any feedback is very welcome.

Mr. O'Toole: I guess I'm waiting to see. There's a lot of open-endedness to some of the responses. You've committed to tabling the contracts, specifically the Peterborough Regional Health Centre and a couple of others. I would encourage Jim Flaherty, our critic in this area, and Ernie Hardeman to take those and look at going forward. As Mr. Flaherty said, imitation is a form of Flaherty—I think that's what he said. I'm even looking at going forward.

We have many school boards and educators compliment the way we responded to the double-cohort thrust at the post-secondary level; also to the new mechanism for funding schools in Ontario under the student funding model.

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I see here that you've got \$1.8 billion set aside over five years to support school construction already completed. Having been a trustee for a number of years, I know that there were very few schools built. They were politically motivated, in many cases. This did not happen in the past. In my riding, I think there were a total of 20 new schools, two or three of which were high schools, costing in the order of \$15 million to \$20 million for a high school. It's a lot of money.

You've got money in here to maintain that, schools that are completed. As well, you've got \$600 million for graduate school spaces in medical school. That's good. We started that project in Thunder Bay. In fact, the head of the medical group up there was Lyn McLeod's husband, Dr. Neil McLeod. I had the privilege of meeting him. They were one of the first groups to sign on to the program that was called family health networks—you've called it another name but it's the same thing; it's collaborative health care—as well as the agreement with Thunder Bay and Sudbury, the medical facility, which I guess will be opened with a ribbon-cutting this year.

So you are continuing much of the good work that was started under difficult circumstances. You've referred to Howard Hampton when he was Attorney General and to Floyd Laughren several times and the difficulties they had in their time of a declining economy, a recession, the social contract and a few other things that underpinned their time in office under difficult economic times—no question about it; absolutely.

We struggled out. At that time, our budget was about \$45 billion and about \$11 billion was deficit. About 20 cents of every dollar when we took office, Mr. Caplan, was deficit. So we did have a transitional problem, as you do, and you've committed—I'll try to turn this into a question rather circuitously.

The Chair: Your time is running, Mr. O'Toole.

Mr. O'Toole: But given that—and you will have your chance—you're halfway through your term here and you've committed to the act—I forget the name of the act—where ministers will take a pay cut if they don't balance the budget, are you going to maintain at least that commitment to take a cut in pay as you work your way through spending more than you're actually earning?

Hon. Mr. Caplan: I've already taken a cut in pay and paid for the sins of the previous government.

Mr. O'Toole: Now you've got to pay for your own.

Hon. Mr. Caplan: And I do believe the Legislature did amend the act, as you would recall.

The Chair: Thank you very much, Mr. O'Toole. Thank you, Minister.

Interjection.

Hon. Mr. Caplan: I believe I've paid for your sins.

The Chair: It can't be too big of a pay cut; he's got a mortgage now.

Hon. Mr. Caplan: Thanks, Chair. I appreciate your understanding.

The Chair: Mr. Hampton, please.

Mr. Hampton: I have a couple more questions. Is it the intention of your ministry in every case to measure what the costs would be by proceeding according to public financing as against the private financing model?

Hon. Mr. Caplan: Are you referring to putting together a value-for-money benchmark, or a public sector comparator? Is that what you're referring to?

Mr. Hampton: More the public sector comparator right now.

Hon. Mr. Caplan: Yes. In order to determine whether or not value for money is achieved, that's a necessary step in order to provide a basis for comparison, and that comparator will be made public as well.

Mr. Hampton: Will that be done internally within the ministry or will that be done externally by someone contracted or commissioned by the ministry?

Hon. Mr. Caplan: Our plan is to do that internally within the ministry or, rather, within the Ontario Infrastructure Projects Corp., one or the other, and to have that comparator. But, as I did indicate, we do at the end of the day want the comparator to come in the public realm so that the public will know that they have in fact received value for money.

Mr. Hampton: So when will that information be made available to the public in the case of each specific project?

Hon. Mr. Caplan: Our goal and our intent is, upon signing of the contract, to proceed ahead with an infrastructure project, at that point the various documents would become public.

Mr. Hampton: One of the problems, for example, with the Ottawa Hospital and the Brampton hospital is that in fact all the documents have not been made public.

Hon. Mr. Caplan: I understand that many of them have been, but of course you're quite familiar that those two areas and the documents were the subject of a court proceeding. I regret that I just can't share everything with you, because it is a matter currently in front of the courts.

Mr. Hampton: So it's your view that the only thing that is stopping the McGuinty government from making all the documents with respect to those two private financing operations available to the public now is the court proceeding.

Hon. Mr. Caplan: As far as I'm aware, yes.

Mr. Hampton: So if the court proceeding ends, all of the documents will then be made public.

Hon. Mr. Caplan: It's our desire to act in accordance with what we've set out, that there be clear accountability and that the public understand what has been purchased on their behalf—a building or what have you. We very much wish to proceed in this spirit.

I would say that the way the Brampton and Ottawa deals were structured would not be the way that we would proceed under an AFP approach but, yes, it is our desire to make those public as well.

Mr. Hampton: So you're saying that the private hospital financing projects that you are now contemplating will be different from the Ottawa and Brampton projects?

Hon. Mr. Caplan: Yes.

Mr. Hampton: In what way?

Hon. Mr. Caplan: In the ways that I've outlined. First of all, they will be publicly owned, publicly controlled. Secondly, we will have clear accountability and public transparency, so the documentation will be made public. Thirdly, we have undertaken already, as you're quite aware, process and fairness commissioners to oversee so that we do in fact live up to the principles that we have set out around fair, open and transparent. So as far as methodology, concepts related to ownership, but also on important process questions, it's very much different from previous P3 approaches.

Mr. Hampton: But you've got the Minister of Health out there saying that the Brampton hospital and the Ottawa Hospital are already public hospitals. You're saying they're not?

Hon. Mr. Caplan: I believe I've indicated that we brought those back, according to what the Premier had committed to, from the private hospitals as they were structured back into the public realm. I've always maintained that. I've never changed that.

Mr. Hampton: So what would be the difference between the Brampton private financing and Ottawa private financing on the one hand and what you're talking about now, since the Minister of Health says that anything that was wrong has been rectified?

Hon. Mr. Caplan: I don't believe the Minister of Health has made that kind of statement, so you'll have to refer to the Minister of Health for precisely what that is. I can tell you that the way the previous government approached, oversaw, managed and negotiated the various elements in those contracts would not have been the way we would have approached it under our AFP model, and it will be different in fact. One of the concepts, like the private hospital—the original hospitals were contemplated as privately owned. Our approach upon taking office made a very significant effort to bring those from the private realm back into the public realm.

Mr. Hampton: Many of the people who have looked at this are not impressed. I'll quote the Toronto Star editorial of May 11: "Regardless of how you spell it, P3s or AFP, Ontarians will end up paying more than they have to for the infrastructure they need." Stakeholders on all sides agree that alternative financing procurement is identical to P3s. Both are private, for-profit models of financing. So folks who have looked at this are saying that you can change the words, you can say that one is a public hospital and the other is a private hospital, but in fact the substance of the deals is essentially the same. I guess what I'm asking you is, what I hear you saying now is that alternative financing procurement will be different. How?

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Hon. Mr. Caplan: Well, Mr. Hampton, I've clearly articulated, both in my opening comments and in re-

sponse to members' questions, clear differences between your and the Conservatives' P3 approach and alternative financing procurement. I don't agree with you that all of the stakeholders or even most of the stakeholders oppose the AFP approach. In fact, we have significant union support from both the provincial construction trades and from the Universal Workers. We have the Ontario Hospital Association, the Ontario Medical Association; we have hospital CEOs. In fact, a letter appeared in the Hamilton Spectator over this weekend from Murray Martin, the president and CEO of Hamilton Health Sciences. I won't read the whole thing, but I will make sure that you have the ability to understand the bottom line:

"I would like to emphasize our commitment to publicly owned, publicly operated and publicly accountable hospitals is unequivocal. We are proposing long-term debt financing, not a 'P3' or 'private-public-partnership arrangement.' Our hospital would not be giving up control or ownership of our facilities to the private sector. As we have always done, our hospital will continue to manage all aspects of construction and hospital operations."

That was Dr. Murray Martin, president and CEO of Hamilton Health Sciences.

Regarding the Toronto Star, I regret that their editorial is in conflict with the direction that we're moving forward in. I hope that I will be able to convince them that the outcomes will be different, that AFP is different than both former governments' P3 approach. I think the important part to remember is that the assertion, "Well, simply go and borrow the money, because that method of finance is cheaper," does a serious disservice to the state of the finances of the province of Ontario.

As we've discovered, between the years 1990 and 1995, when provincial governments decided that that's what they would do, we saw the effects on the province's credit rating. In the words of Floyd Laughren, more and more and more of the operating element of the provincial treasury and provincial budget were eaten up by public debt interest, crowding out and squeezing out not only infrastructure but health, education, environment, agriculture, energy, labour, and so on and so on and so on. So the notion that somehow we can borrow our way solely and have no effect whatsoever on the provincial ability to deliver and fund its operating and capital expenditures I don't believe is the correct conclusion.

I guess I'm simply going to have to agree to disagree with the authorities that you cite. There are other authorities who see things in quite a different light. I'm prepared to let the results stand for themselves. I, for one, don't believe it is the responsible thing to deny Ontarians access to state-of-the-art, high-quality medical services, because that's the other alternative: to not proceed. I believe that we've reached a point, Mr. Hampton, where that is simply not an option.

Mr. Hampton: Why do you say the the only other option would be not to proceed?

Hon. Mr. Caplan: Well, the other option, then, would be to go out and to essentially borrow and see the prov-

ince's credit rating decline even further, see public debt interest crowd out education and health care operations spending. I don't believe those are the appropriate choices. I believe that we have to proceed with modernizing our health care infrastructure, with bringing our water infrastructure into a state of good repair, with reversing the long decline that we've had in our public facilities. I believe these are necessary investments for the provision of better public services and for a stronger economy, and ultimately for a higher quality of life. The track record of previous governments has been to delay or defer these kinds of investments. We do so at our peril and we do so neglecting what Ontarians tell us is their highest priority, which is improved public services.

Mr. Hampton: I thought we settled earlier that the only difference between what you're going to do and what public sector financing would do is that you would get to hide this from the government books for a couple of years during the time of construction, until the building of the hospital is completed. After that, the accrual method of accounting and the private financing accounting are the same. What would show in the government's books is that in a given year, you're putting out, say, \$200 million or \$300 million to pay for financing and that will go on for whatever the term of the bond is, whether it's a private financing bond or a traditional public infrastructure bond. So I don't get, and I don't think anybody else gets, where this would result in some huge up-front cost.

Hon. Mr. Caplan: The experience in Ontario and other jurisdictions around the world is that project management proceeding on the basis of a traditional model oftentimes—in the case where the UK auditor had a chance to study, 70% of the time—resulted in over-budget and significant time delays as far as the delivery of public infrastructure. I know you narrowly phrased your question earlier to relate only to the accounting treatment and I was very careful in my response to indicate to you that it was not solely accounting treatment that was the reason for using a variety of methodologies toward the provision of public infrastructure. If you did not hear that, I regret it and I know that Hansard will reflect those comments. Project management and delivery, risk transference, certainly the accounting portion over the period of construction—which is not, I should say, something to simply be dismissed. There are differences, and I hope that I've articulated them for you.

Mr. Hampton: Let's compare apples to apples and oranges to oranges. If I understand you correctly, you're saying that for the government to build these hospitals, they would have to go out and borrow, lump sum-and show on their records all in one year, literally billions of dollars. Is that what you're trying to say?

Hon. Mr. Caplan: In some instances, yes.

Mr. Hampton: No, not under accrual accounting.

Hon. Mr. Caplan: We're not fully in accrual accounting yet, and certainly not for the period of construction, either. I also indicated that that is not the only reason.

You've narrowed it down to only one element as far as risk transference.

Mr. Hampton: Chair, could I ask from legislative research—the minister seems to be saying that in a public financing model under accrual accounting, the government would have to go out and incur huge up-front debts and show them on their books immediately, and he's trying to say that this would somehow prohibit the building of these infrastructure projects.

Hon. Mr. Caplan: I didn't say that.

Mr. Hampton: My understanding of accrual accounting is that the government shows these on the books as it pays segmentally each year. I wonder if you could give us a comparison here, or a comment, because I think the minister is engaged in some sort of fantasyland trip here.

The Vice-Chair: Do we have the question, researcher? Are you satisfied that the question is clear enough?

Mr. David McIver: I do have the question.

Mr. Hampton: I simply want a comparison from legislative research on the McGuinty government's private financing method of paying and accrual accounting, and I want specific attention paid to the minister's assertion that if you do this through a public financing approach, the government would have to go out and borrow billions of dollars up front and show that immediately on its books. He asserts that that is true, and then he asserts that, because he believes that to be true, these facilities wouldn't be built under a traditional public financing project.

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As I understand it, accrual accounting simply says that's no longer the case. I acknowledge for the minister that one of the realities the NDP faced was we wanted to build these projects, but lacking accrual accounting, you had to take all of these costs up front, even though the bond payments would be made over 25 years. That's an accounting issue. That's why public sector accounting across the country has moved to accrual accounting, because it's more accurate. It actually shows when the financing payments are made.

You seem to want to say, on the one hand, that if it's public financing, this all has to be done initially and the government has to borrow billions of dollars, which is just complete fantasy. It's not the case under accrual accounting.

The Vice-Chair: Is there a question there to the minister? There are two minutes left.

Mr. Hampton: My question was actually to legislative research. I think he gets it. I'm not sure the minister does, but I think legislative research gets it.

Hon. Mr. Caplan: Will legislative research also add in the element of this transference and cost overruns, which Mr. Hampton, of course, conveniently leaves aside in his estimation of project costs? So please include those as well.

Mr. Hampton: If research wants to answer a separate question comparing cost overruns and so on, I'd be happy, but I want legislative research to also look at the issues that have come out of P3 hospital financing in

Britain, where there is literally a catalogue of cost overruns and literally a catalogue of delays. So if you want to get into that, I invite you to get into that, but I want to look at the international evidence, and evidence from the United States, and evidence from other provincial jurisdictions, in hospitals, in schools and in other private financing projects.

I think, once again, what we've got is the McGuinty government engaging in spin that can't be substantiated when you actually look at what's going on elsewhere in the world, whether it be Australia, New Zealand, Britain, the United States, or your good friend Gordon Campbell out in British Columbia.

The Vice-Chair: That's a very good question. Your time is up for this round. If you have any clarification, perhaps you could talk to research afterward to make sure that very big question is responded to tomorrow.

Mr. Hampton: I think the researcher gets it.

The Vice-Chair: Very good. Thank you.

For the next round, we'll go to the Liberal side.

Mr. McNeely: One of the interesting aspects for me from the background of coming from the traditional method of designing and contracting out infrastructure is that it's good to see—I'm looking at page 32 of the *Building a Better Tomorrow* book—how the operation risks and the capital repairs—the construction risks, I think, generally were always left with the contractor and the consulting team—are good risks to have with the consortia, because then you're going to have someone delivering a building that is going to have to pay for the operation and capital generally. Probably most of the risks will be transferred.

I think we've seen with Pickering 4 where that project started with about 10% of the design done and it just went three or four times the estimated cost, and the time was just atrocious as well. Pickering 1 went to 90% design before they went—so that's going to put a lot of pressure on the consortia to have their long-term costs in line and the designs in line. I really see that as being a very strong point of this model that is being proposed. I think it will come back and return investments for the province many times over.

I think you mentioned \$100 million as being the threshold for going to this model. The announcement for my hospital, which was the Montfort, was a great one, and we're looking forward to that going ahead. In the case of the Montfort, they have their site. They have all the land.

If you're looking at page 31, there are many things under "Site Risks" that need transferring. In that case, would most of those risks stay with the hospital because they're sure of them? That's not a case where you'd try to transfer risks.

Hon. Mr. Caplan: That's what the whole section on risk categories and treatment is all about. What we're trying to do is to encapsulate all of the various risks which could occur. I think what is really important to remember about this is that some risks we do not want to transfer, some risks can be retained by the public sector. This is what we're trying to get at in these sections.

As you say, the sites are already owned. In fact, in most cases—in almost all cases that I'm aware of—they're owned by the public hospital corporations. So these types of risks can be managed; the burdens can be shouldered. There is no reason, or it hasn't been demonstrated that there's a very strong reason, why you would want to transfer those risks to a private consortium and to pay a premium to be able to do that.

It's very important that we begin to delineate some of the general risks, policy risks and other ones that are out there, and go through, as we've charted out here: Is it applicable to the project itself? Who should assume the risk? Should it be the private sector or should it be the public sector? I would reject the notion, if anybody tried to proffer it, here or anywhere else, that somehow all of the risks were being pushed on to one side or another. In a traditional public works model, all of the risks are assumed by the public, by either the hospital board or the provincial government. So, some of these things you will want to; other things you will not.

I do know, Mr. McNeely, that you have an engineering background, and you referenced some of that earlier. I especially want to talk about life cycle. We are not involved in the kinds of life-cycle practices that we really ought to be in. We have, regrettably, pushed off the maintenance of our public buildings and public assets because of other kinds of budgetary pressure. They become part of the vagaries year to year. What we call for in the *Building a Better Tomorrow* framework is an asset management plan. What is the methodology, whether it's the university, the hospital, the municipality or the provincial government, to take care of its own assets? If we can realize the full life and utilization of that asset, we're delivering best public value to the people who are ultimately paying for it. That's a critical element for us, and we very much want to get involved in life-cycle practices.

In our design criteria, we very much want to make sure that we're calling for things like disabled access. We are very proud of the Ontarians with Disabilities Act, and we are certainly changing our design criteria. We would very much like to—and it's going to take us a while—get into the kind of practices as far as energy conservation and demand management systems, to build that into a building so that we can lower our demands on the energy sector. Again, this ties into and touches so many different other kinds of initiatives of our government. So through the construction of the platform to provide the public services, we can meet so many of the other goals as well. I wanted to touch on that too.

Thank you for the question about Montfort. The site risks easily could be handled there as well.

I understand as well that just today the Ontario Hospital Association talked about, "The use of an innovative financing model to fund the renewal of Ontario's hospitals is necessary to ensure improvements to patient care and efficiencies are made in communities" across Ontario, said the president and CEO of the Ontario Hospital Association, Hilary Short. The Ontario Hospital Association "strongly supports the use of innovative

funding models for hospitals.” So this movement is growing, whether it’s in Ottawa and your community hospital or in Waterloo region, or in Sarnia, Sioux Lookout, Durham, Brantford or across the province. These are important techniques that we now have available to us which allow us to do more, and do more faster.

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Mr. McNeely: The design-build, when they came out—and that was the fault with them. They were the lowest first cost, and forget about all these other risks that you’ve named here under operations and capital. This is a big improvement. It should force the industry to look at those life-cycle costs and get them down to the best for the owner. I’m very pleased to see that those two issues are included. They should have been in the early design-builds; we got a lot of very poorly-insulated buildings, a lot of high-maintenance buildings. This will certainly help. I have no other questions.

Mr. Milloy: Minister, I want to go back. We’ve discussed the size of this plan—I mean, \$30 billion over five years—but at the same time, as you’ve pointed out, it’s not enough money. It’s unfortunately not going to meet 100% of the need within our communities across the province.

You spoke earlier about things that can happen, changes to everything from the economic climate through to technologies and things like that. When you look at a plan of this magnitude, will it be revised on a yearly basis, or how are you going to be addressing all these different plans as they unfold over the five years?

Hon. Mr. Caplan: It will have to be reconfirmed each year. Governments are able to change their priorities or meet emerging needs as the case may be. But as much as we can, we want to confirm major projects and other projects moving ahead on a timetable that we can meet and that can be handled with the construction capacity that exists in Ontario. As well, we’re going to want to add subsequent years. Remember, this is the outlook between 2005 and 2010. We’ll add on 2011 and 2012 and, in subsequent years, 2013 and 2014. We want to continue to extend.

Remember, this is the first time ever in Ontario’s history that we have developed a detailed plan for capital and infrastructure investment in the province of Ontario. This is groundbreaking. It will signal to not only our sector partners across the province of Ontario but around Canada and internationally that Ontario is a place where there is a great deal of activity. We hope to be able to expand the capacity and the ability of our construction sector to meet and perhaps, if it is available and if additional money has become available, even exceed some of the things we wish to do here.

I am heartened by the budget that was introduced and passed by our colleague Finance Minister Sorbora, where he said that if we realize additional funds through any kind of asset utilization or sale, infrastructure would have the first priority as far as making additional investments. So I’m very heartened that if additional funding becomes available, we can make a dent. But it is incredibly ironic that \$30 billion is simply not enough, because that is a

staggering sum of money. I can’t tell you just how large that is, to know that we only have less than one third of what we believe we need, and probably not even that. It is really very humbling to know that we have only begun the initial steps on a much larger journey in the investment, to change the practices, but ultimately to change the outcome, to deliver better, more, faster and higher quality services for the people of Ontario.

Mr. Milloy: Do you envision that next year you would talk about year six, for example, or that there would be another five-year plan, that you would talk about the next 10 years at a certain point, or sort of a combination of both?

Hon. Mr. Caplan: Next year would be reconfirmed and then year six would be added. That is the way that we’re approaching it at this point. We’d also like to move to a longer-term concept. One of the difficulties and one of the challenges of individual ministries is that some are in a better position than others to determine what their transformative strategies—in the case of the health ministry around wait-times—are. But others are still working toward what transformation strategies, what service delivery they’re looking for, regionalization. Those are individual ministry policy and operations kinds of questions. Once that determination is made, once they can chart out that course, they come to us to find a financing and a delivery solution, and so we’d like to be able to indicate what that will be and how that’s going to work over a longer period of time, but we’re not there at this point. We would very much like to be, though, and we’re working toward that.

The Vice-Chair: The Chair recognizes Mr. Levac.

Mr. Levac: I appreciate this opportunity. I’ll be a little less apologetic for being a bit of a hometowneer this time, Minister.

In your document *Building a Better Tomorrow*, there’s a discussion on page 11: “1.4.2. Objectives of the Infrastructure Planning, Financing and Procurement.” You’re very much aware of the project in Brantford, which I fully endorse and support, with the creation and growth of Laurier, Mohawk and Nipissing, that very unique partnership of two universities and a college. Their next step or process falls right into this line item. It says, “support line ministries and government agencies, municipalities, hospitals, school boards, and colleges and universities in developing innovative and creative ways to meet Ontario’s infrastructure needs while protecting and promoting the public interest,” and then there are a couple of other points that speak to exactly this type of project.

What I guess I would seek in this particular situation—and I know I do have your support—is to maybe identify projects across the province similar to the specific one in Brantford. Are we taking any kind of stock in the types of projects that fit into the specific plans the ministry is coming out with to try to encourage, at least acknowledge and help those municipalities, particularly mine, that are there, that they’re fulfilling what the Ministry of Training, Colleges and Universities wants us to do, that infrastructure wants us to do, Places to Grow,

greenbelt, to at least tell them, "You're on the right track; we're there," because the investment in my municipality is huge—I know you're aware of it and support the concept. Basically, maybe give us an idea, not just specifically about my project but how to start identifying those projects across the province.

Hon. Mr. Caplan: That's actually a hard question to answer, because it's so conceptual in nature. What we've done, really, is start with the very simple premise: Corporately, what does the government want to deliver? What are our highest priorities? In health care, the transformation and the wait-time agenda; in education, lower class sizes, higher student achievement, kids learning longer and also serious engagement in post-secondary education; and supporting the economy—those sort of general headings. Also, some very specific actions: How do we align the the Ministry of Training, Colleges and Universities or the Ministry of the Environment, whatever ministry it happens to be, with the key corporate objectives we're trying to reach, and how do we align our own investment and our own projections? For example, in the Places to Grow strategy, how many people are we expecting to come, where are they going to settle, where are the job centres going to be, how do they link together—trying to kind of make that determination conceptually on a larger scale but then translate that at the ground level. How do we work with a municipality and a community college and, potentially, a private sector operator, a private sector partner or whatever configuration in order to meet the higher policy goal and objective and the corporate priority?

What we're trying to do, from our perspective is, first of all, identification, and then the appropriate investment methodology or tool or simply the magnitude of dollars available to be able to support it. Are we able to integrate various ministries working together? For example, it might be a training, colleges and universities on a training system working with economic development toward an employment stream; working with a municipality or the ministry of municipal affairs, whether it's a land use function, working with us related to the investment of an operative road transit system or water servicing—bringing all these things together. That's what we're trying to get at here. There are a number of ministries, there are a number of partners at the municipal level, there are a number of partners that exist out there in the private sector that need to shoulder various burdens and work together to various degrees to be able to realize these kinds of goals.

That's how it would work specifically in Brantford, but it has application in a great number of ways. You've asked a very profound question, and I thank you for it. It's a very hard one to answer—a conceptual kind of model—and make it whole.

Mr. Chair, thank you very much. I look forward to seeing you and the committee members tomorrow.

The Vice-Chair: This committee stands adjourned until 9 o'clock tomorrow morning. There will be one hour—actually 59 minutes—left for the Ministry of Public Infrastructure Renewal.

The committee adjourned at 1600.

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Tuesday 27 September 2005

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Mardi 27 septembre 2005

Standing committee on estimates

Ministry of Public Infrastructure
Renewal

Ministry of Health
and Long-Term Care

Comité permanent des budgets des dépenses

Ministère du Renouvellement de
l'infrastructure publique

Ministère de la Santé
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LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
ESTIMATES

Tuesday 27 September 2005

COMITÉ PERMANENT DES
BUDGETS DES DÉPENSES

Mardi 27 septembre 2005

*The committee met at 0906 in room 151.*MINISTRY OF PUBLIC INFRASTRUCTURE
AND RENEWAL

The Vice-Chair (Mr. John O'Toole): Good morning. The standing committee on estimates reconvenes. The first order of business is to find a temporary—

Interjection.

The Vice-Chair: We're OK now? Very good. The clerk has advised me that we'll start this 59 minutes, which will be divided among the three parties. Seeing as there's no one from the official opposition here except me, we will skip that rotation. Oh, Jim Wilson has just appeared. That's great. With that, if it's the wish of the committee, we could let Mr. Hampton start first on this round. Each party will have 20 minutes. Mr. Hampton, you have the floor.

Hon. David Caplan (Minister of Public Infrastructure Renewal, Deputy Government House Leader): Excuse me. Do I not have time for closing comments?

The Vice-Chair: The way that will work is that it will be divided among the three parties, and you'll finish the session, technically. We'll go to Mr. Hampton, then we'll go to Mr. Wilson, then we'll go to you and the government side.

Hon. Mr. Caplan: So the government side doesn't get another balance of questions? OK. I was just looking for clarification.

The Vice-Chair: If you want, it's from your time.

With that, Mr. Hampton, your time starts now. You have 20 minutes.

Mr. Howard Hampton (Kenora-Rainy River): I have some more questions. Minister, yesterday you told us that the major risk that the government was interested in dealing with in these private financing deals is that you wanted to privatize the risk of delays and cost overruns. Is that right?

Hon. Mr. Caplan: I indicated, Mr. Hampton, that there were several risks, as have been outlined in the Building a Better Tomorrow framework. Mr. Chair, I have included copies of Building a Better Tomorrow for all of the committee members. Pages 30 through 33 outline the risks that we do identify—some of which of course would be transferred; others would not be transferred—and the kind of analysis we would go through on a case-by-case basis. The top risks for the government

would be delivery risk and financing risk. Those are ones that we are especially concerned about, but I don't want to minimize any of the others we outline, and the process we would go through in order to assess them.

Mr. Hampton: So just to repeat, the major risks—I asked you this question directly yesterday, and you said the risks you wanted to deal with were cost overruns, which you've classified as financial risk, delay risk, and then the third one you talked about was building maintenance, or what you referred to, I think, as life cycle risk.

Hon. Mr. Caplan: Life cycle, and there are other risks as well, as I have indicated, that we are also paying due regard to.

Mr. Hampton: I think you also pointed to what you called international evidence. You said that this international evidence was very supportive of private financing deals. Is that right? I think you actually referred to the British Auditor General.

Hon. Mr. Caplan: I did refer to the report of the UK Auditor General. That's correct.

Mr. Hampton: Yes. What sticks out like a sore thumb in Britain—you keep saying that these private financing deals in Britain are something like 80% on time and on budget. I think was the figure you used. Is that right?

Hon. Mr. Caplan: I indicated that the study of the UK Auditor General indicated that 88% of the time, the projects they studied were delivered on time and on budget, and that compared to what would be considered the more traditional public works model, as studied by the UK auditor, 70% of the time projects were delivered over budget and not on time.

Mr. Hampton: So you're quite impressed with that 88% figure.

Hon. Mr. Caplan: I just report what the UK Auditor General indicated.

Mr. Hampton: OK. I want to bring to your attention some other things in the UK, and you can tell me if these are acceptable. With the Carlisle infirmary P3, Carlisle hospital, one of your private financing projects, this is what they found. Design problems and shoddy construction have plagued the hospital as follows: Two ceilings have collapsed because of cheap plastic joints and piping and other plumbing faults. One joint narrowly missed patients in the maternity unit. The sewage system could not cope with the number of users and flooded the operating theatre. Clerical and laundry staff cannot work

in their offices because they are too small. Expensive trolleys had to be commissioned because those supplied don't fit between the beds. The transparent roof means that on sunny days, the temperature reaches over 33 degrees Celsius. The hospital has no air conditioning. Two windows have blown out of their frames, one showering a consultant—that's what you call a specialist physician in Britain—and a nurse with glass. One of the risks supposedly transferred to the private consortium was the risk that targets for clinical cost savings would not be met, and the cost of this risk was estimated at £5 million. The consortium, however, faced no penalty if these savings were not made. Therefore, £5 million of value was spuriously attributed to the private financing model.

What I found yesterday was that when I asked you to evaluate any of the risks, to put a number to them or to give us even ranges, neither you nor any of your officials seemed to have a clue. I want to ask you, would you consider the outcome of the Carlisle infirmary P3, if it came in on time and on budget, a successful undertaking?

Hon. Mr. Caplan: Well, I think that we want to learn the lessons from all of the examples that exist, both domestically and internationally, whether they are traditional public works models or whether they're alternatively financed types of projects. We have international evidence from 600 PFI projects in the UK, from projects in Sweden, often cited by yourself and others as an example of the way to finance and manage many of the public services that people rely on. We have examples from Ireland, from Australia, from British Columbia, from Alberta, from Quebec, from the United States—thousands of projects successfully delivered. Examples where there are some lessons and some experiences do not negate the instances where they have been successful. I would suggest to you that one of the purposes of coming up with a framework was to build upon many of those examples and to ensure that we learn the lessons and do not repeat ones that perhaps did not have successful outcomes but also to emulate practices that did.

Mr. Hampton: It was you, not I, who was telling people how wonderful private financing was in Britain.

I want to raise another instance with you: the Dartford and Gravesham, otherwise known as the Darent Valley Hospital in Kent. Innisfree, which is the financing agent, refinanced the hospital and made £33 million in profit. One of the companies, Carillion, the same company that has won the bid on the Brampton hospital under your government, made £11 million in profit. The hospital, however, failed inspections for basic standards in hygiene, trolley waits, cancelled operations and breast cancer referrals. The CEO was fired. Community health spending has been reduced to fund the additional costs in the hospital. Funding for the provision of services shifted to the community—mental health and learning difficulties, and community nursing—was withdrawn. In order to increase funding for the private financing hospital by 2 million pounds per year, funding for a child resource centre, relocation physical disability services,

and relocation mental health services were cut entirely. Community nursing and community hospital services were reduced.

You say once again that your primary concern is on time, on budget. Does this hospital sound like an acceptable result to you?

Hon. Mr. Caplan: Mr. Chair, I'm certainly guided by the words of former Attorney General Howard Hampton, who said, "As well, Metro Toronto presents, in the longer term, some interesting possibilities for partnership with private developers. For example, it might be possible to construct courts and to construct commercial space and to construct housing in co-operation with a private developer."

In fact, Mr. Hampton, it was your government—you served on the executive council—which introduced P3 concepts into Ontario. I wish to quote your colleague at the time, Mr. Farnan, the Minister of Transportation: "This international model is used everywhere—in Germany, the United States of America and many other parts of the world. By allowing partnerships with the private sector and changing the way we build highways, we are positioning our industries to be the world leaders and at the same time we are getting the job done faster and we are saving the taxpayers a lot of money."

Mr. Farnan continues, "Using our method of constructing Highway 407"—the first P3 in the province of Ontario, under your government—"we will create 20,000 jobs now, when they are most needed, save the taxpayers \$300 million, encourage private sector partnerships and encourage innovation and competition. We will build a much-needed highway 22 years faster. Lastly, but most importantly," said Mr. Farnan, "we will help Ontario's design and construction industry catch up with the rest of the world to build large-scale products like Highway 407 in an innovative and effective manner."

I say to you, Mr. Hampton, that this was the position, the testimony. In fact, you, as a member of the executive council of Ontario, approved and passed the capital investment plan in 1993 in order to encourage this kind of arrangement, a partnership between the public and private sectors. We have, I submit to you, learned some of the lessons of your government's move in this regard, and of the previous government's initiative as well, and we have come up with an alternative model called alternative financing and procurement. It is different from your P3 program and different from the Tory P3 program. It is rooted in five fundamental principles outlined in this document. I have talked to this committee about it, and I will elaborate on it again.

Public interest is paramount, that we have appropriate public control and ownership—

Mr. Hampton: Chair, is this in answer to the question? I asked him about a particular hospital in Britain.

Hon. Mr. Caplan: It was a very particular question, and I'm providing you with an answer—that we have demonstrated value for money, that there be proper accountability lines, and of course—

The Vice-Chair: Mr. Hampton, are you satisfied with the answer to this point?

Mr. Hampton: I asked about a particular hospital in Britain, and I—

The Vice-Chair: Are you satisfied with the answer?

Mr. Hampton: I'm satisfied with the answer.

Minister, it's a shame that you don't know the difference between renting temporary court space in an available building and the private financing and operation of a hospital, or that you don't understand that the 407 was not private financing. Private financing was rejected because the government of the day realized that private financing would cost the taxpayers of the province tens of millions of dollars more. It's a shame that you, as minister, don't know these elementary facts.

0920

But I want to ask you about another hospital. As you say, the McGuinty government's concern is that you want the construction on time and on budget. I want to ask you about the Royal Infirmary of Edinburgh, a private financing hospital in Scotland:

The hospital was built without operating theatre lights. The hospital lands in town were sold off in a scandal-ridden land deal and the hospital was moved to a greenspace outside of town. The land that the hospital is located on is over an old mine and rats climb to the surface and infest the hospital when it rains. The high costs of the private financing have been borne by reducing beds in a false estimation of faster patient "throughput."

Beds have been reduced by 24% across the health district and community services have also been cut. Further reductions in community care and beds may be necessary to meet the financial deficit, primarily due to the high costs of private financing in the health district. The workforce plans for the new private financing hospital show that the projected clinical staff budget was 17% less than in the former public hospital. The new private financing hospital was planned to have 18% less staff.

Capital costs as a proportion of total income rose from 7% to 14% under private financing. The head of the accident and emergency department, Keith Little, resigned in 1999 on the grounds that the shortage of beds had made his job impossible. One of the ways that figures have been adjusted to indicate that private financing provides greater value for money was the assumption that the building life would be 45 years rather than the usual 60 years.

Does this sound like a successful outcome to you? I'm told that it came in on time, on budget. Does this sound like a successful outcome to you?

Hon. Mr. Caplan: Well, Mr. Hampton, I must say that the government between 1990 and 1995—in fact, I'll quote from Public Investment for Economic Renewal, February 1993: "Growing and changing demand for infrastructure, increasing pressure on existing infrastructure systems, and difficult financial constraints have reduced the effectiveness of traditional methods of planning, financing and managing public infrastructure." I want to remind you, sir, that you were a member of the executive council and the Attorney General of the day

when these statements and this methodology were first introduced in Ontario. I want to go on: "New approaches are needed.... [These new approaches] will need to accommodate a shift to a loan-based financing system consistent with the long-term nature of capital investment, facilitate new financing arrangements with public sector partners, and open up new sources of financing."

Mr. Hampton, I want to be very clear that our methodology is quite a bit different than the P3 approach of your government and quite different than the P3 approach of the Conservative government. I believe that I have demonstrated already that we have identified it and rooted our move forward, whether it's simply private sector finance, whether it's a combination of federal, provincial and municipal cost shares, whether it's developing a low-cost loan pool like OSIFA, whether it's developing another alternative financing means like providing a revenue stream to municipalities like the gasoline tax. We are taking a multi-faceted approach toward delivering the infrastructure, finding new ways of investment; in fact, we are using debt finance and other kinds of means.

Mr. Hampton: Chair, I think my question was about a particular hospital in Scotland. I haven't even heard reference to the word "hospital" yet in the answer.

Hon. Mr. Caplan: We are learning lessons, both domestically and internationally, whether it comes to roadways, hospitals or courthouses, whether it is on municipal finance or areas in the province.

The Vice-Chair: Mr. Hampton, are you satisfied with the answer? This is your time, and the minister is trying to give you an answer. Are you satisfied with the answer?

Mr. Hampton: It's not a very good answer, but I am satisfied nonetheless.

Minister, one thing you didn't note in your answer is that the reference to loan financing was exactly the thing that was rejected in Highway 407. It actually came to a cabinet meeting, and private financing was rejected, and the reason it was rejected was because private financing of that kind of capital project would cost the taxpayers of the province tens, if not hundreds, of millions of dollars more. It's really a shame that I have to remind you of history that's fairly elementary, that your staff obviously hasn't briefed you, as minister, very well, or you didn't understand the briefing.

But I want to ask you about another hospital—as you say, these projects have all come out on time and on budget. This is the East London and The City Mental Health Trust, in East London:

"A leaked report from consultants Hornagold and Hills noted the following problems: The bidding and the negotiating went on for two years beyond deadline, even after which the contract did not adequately specify the obligations of the private companies; the architects were not paid, did not inspect works or certify completion and there are no drawings of the final buildings; the original design provided no office space at all, a redesign to squeeze in offices is extremely poor; gender segregation in the wards is impossible due to design flaws; the water

supply totally failed upon the building opening; a number of toilets were not connected to drains, leading to 'obvious problems'; floor coverings are defective; alarm and call systems unreliable; emergency systems non-functional; staff were ill-informed and alienated; and the contractor was deemed uncooperative and adversarial."

According to you, as long as these projects come in on time and on budget, they're acceptable. I ask you again, is this an acceptable outcome for a hospital?

The Vice-Chair: There's one minute left.

Hon. Mr. Caplan: The question went quite long, and I'll endeavour to stay on time.

I want to note that even more recently than the period between 1990 and 1995, in 1997, the deputy leader of your party, Ms. Churley, said on February 5 in Hansard:

"OCWA"—the Ontario Clean Water Agency—"was created under our government and it is an example of the benefits of the partnership between the public sector and the private sector."

Mr. Hampton, your assertion that certain things happened in history is, I believe, fundamentally incorrect.

"I have no problem with these kinds of partnerships," Ms. Churley went on. "I think they make sense. There are a lot of ways that the government can work together with the private sector to enhance the services we provide, to make them less expensive. There's a way that everyone can win in these kinds of public-private partnerships."

Mr. Hampton, I think the point here is that when faced with the fact that there was a need to deliver capital and infrastructure projects in a different way, a need to improve the financing of the them, your government turned to and looked at some of these innovative methods of public financing, innovative methods of project management and delivery.

I want to assure you that we are not being indiscriminate the way that your government was, but have rooted how we are moving forward with a variety of strategies in some core and fundamental principles, which were, I would add, widely consulted on, unlike the approach that your government took. I think we've learned many of the lessons, both at home and abroad, as far as how we move forward in these kinds of matters.

I know that Ontarians wait with great anticipation for the construction of new infrastructure that will enhance and provide state-of-the-art, modern medical services and lower class sizes, which will provide the foundation for a prosperous economy, and that is precisely what we're going to do.

The Vice-Chair: Thank you very much, Minister, for that. We turn to the opposition side for the next 20 minutes.

Mr. Jim Wilson (Simcoe-Grey): Thank you, Mr. Chairman, and thank you, Minister, for being here. I wasn't here yesterday, so you may have covered some of the questions I may ask you. I was expecting to show up and see Mr. Smitherman in your place this morning, but I guess we still have an hour of your ministry, which is great.

The first thing I want to do is to read a letter to you. It's very brief. It's from Audrey Johnstone, who's the

clerk of the town of Wasaga Beach. It's dated September 12, 2005, and it's just about OSTAR funding and some billing problems they're having, which you have straightened out in the past for us. I'll just read this:

"Dear Mr. Wilson,

"We are facing difficulties as it relates to payments for claims submitted under the OSTAR program and are once again requesting your assistance. We are continuing with the infrastructure project through the OSTAR program for the installation of water mains and sanitary sewers and the project is proceeding as planned; however, as noted, we are once again having difficulty with payment claims. We have payment claims dating back to April 1, 2004."

There are a couple of short paragraphs left.

"To date we have submitted claims totalling \$4,339,727.33, of which 66% are claims the town is looking for to come back through the OSTAR program.

"We had great success"—this is the best part—"with your ... assistance" last year, "so may we ask that you once again look into this matter.

"We extend our sincere appreciation."

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Hon. Mr. Caplan: Can I comment?

Mr. Wilson: Please.

Hon. Mr. Caplan: You did approach me last year regarding a similar matter. I'd be very happy to follow up with you if you would have either yourself or your staff provide me with the letter. It is through a sister ministry, but we'd be more than happy to follow up with you on behalf of your municipality.

Mr. Wilson: Thank you. I'll give you a copy of this letter. Last year, I must admit, within about two days, you had the whole problem solved, and it was the town of Wasaga Beach also. For some reason we have an invoice problem there.

I was going to ask Mr. Smitherman, but I'll take the opportunity to ask you: The Markdale Hospital, which they call the Grey Bruce Health Services, is the only hospital between Owen Sound and Orangeville that has a 24-hour emergency department. It's located on Highway 10, which I'm told is the busiest provincial highway in the province. I'm not sure that's true, but it must be in the top 10. When they approached the Ministry of Health to build a new hospital, I guess originally in 2002—this hospital is quite old and quite falling apart. We have a severe shortage of physicians in the area and we're hoping that a new hospital will help to attract new physicians to the area. When they approached the ministry in 2002, the ministry thought it would be impossible for a community of about 6,000 people to raise their share of the money, which was about a \$12-million target. Two Saturdays ago, they had a ceremony in which they raised \$13,131,355. Dr Hamilton Hall headed that effort on behalf of the community.

I guess I'm just asking, as Dr. Hall asked me yesterday on the telephone, where do we go from here? They've got what we would call draft sketches of their concept. Their concept is a new concept in terms of integrating the

Grey Gables site, which is the long-term-care facility in Markdale that our government built. They want to put a hospital on that site. They want to integrate acute care, primary care and long-term care all on one site—shared kitchen facilities—do everything efficiently and actually be a real model for rural health care. They'd like to go to functional plans. Do I ask Mr. Smitherman for that permission? When I talk to Ron Sapsford and his assistant deputy minister and the minister himself, they often refer us to your ministry because you are the guru of capital. What's your advice in terms of where this hospital goes? As I said, three years ago Queen's Park told them, "You'll never raise \$12 million." Indeed, they raised over \$13 million. They're ready to go, to put a spade in the ground. Where do they go from here?

Hon. Mr. Caplan: First of all, I want to thank you, Mr. Wilson. I've never been described as a guru of anything, so I think that's rather kind of you.

We work very closely, obviously, with the Ministry of Health when it comes to health care capital, or the Ministry of Transportation when it comes to transit, roads and borders, or the Ministries of the Attorney General and Community Safety and Correctional Services regarding justice capital. I describe public infrastructure renewal somewhat facetiously as something of a leasing office on steroids. Once the policy decisions are made by the individual ministries as to what public service they wish to deliver, what their transformation strategy is, what they're going to deliver in a geographic, regional or local sense, they'll come to us for a financing solution. They'll come to us for help with project management, delivery, contract negotiation and all the like. We do provide funding to ministries like the Ministry of Health to assist municipalities with planning grants.

I don't know the exact figure off the top of my head, but in a very general sense, in 2005-06, in this budget year, we will be investing almost \$340 million in health capital. Over the course of the next five years, our level of capital investment in health care will be some \$5 billion. We have planned out 105 health care projects, which will be either completed or started over the course of the next five years. We have talked to hospital boards and local members; we have begun the announcements and begun to signal the start dates. I can't share any of the individual details, but I can tell you about the process that we went through and the framework for decisions. On the health side, the health ministry took a look at the factors of transformation, the wait time strategies in the specific areas of cataract, cardio—and you well know, I'm sure, the Minister of Health will be glad to elaborate on that. We took a look at growth needs. We have some explosive growth in certain sectors of the province and we don't have adequate health care facilities or the ability to access, so we wanted to make sure we are meeting some of the growth needs. We also have renewal pressures: very aged buildings that are in a state of disrepair that we either wish to add to or fix up substantially. So those were the major factors.

As well as aged buildings and project readiness, there was another filter, which is that we wanted to achieve a

measure of regional equity around the province. We would not do everything in eastern Ontario to the exclusion of northern or southwestern Ontario. The other two factors were placed by my ministry. One was the dollars available and the cash flows that we would have to be able to support those 105 hospitals. The last one, of course, is a measurement of the relative construction capacity in Ontario. The way I described it yesterday to this committee is that, in reality, there are only about five major construction companies with the bonding capacity and the capacity to do the actual builds. We simply cannot exceed our ability to deliver health care capital. So, in a five-year time frame, we have ordered, staggered and phased what we believe we can handle with the current construction capacity in Ontario.

I want to add one last point. I'm just trying to be as tight as I possibly can.

Mr. Wilson: Yes. I used to be a minister; my answers were actually twice as long.

Hon. Mr. Caplan: I just want to add one more point. If—and our hope is that—by signalling on a longer term basis what our capital vision is and what our financing plan is, we can build additional construction capacity; and if we can get additional revenues—I know they are two rather large ifs, and I was heartened by Minister Sorbara's comments in the spring budget that, with any realization of asset sales or unanticipated revenues, infrastructure would be the first call for reinvestment—we would like to expand our lists and our projects that we'll be supporting. So if we can get more construction capacity, if we can get more financing—I guess the short answer to the Markdale hospital is, come and talk to us and come and talk to health.

Mr. Wilson: I've heard about this list of over 100 hospitals that I guess you're rolling out approvals for at various stages of construction or planning. Unfortunately, in opposition it's very difficult to figure out whether you're on the list or not. Minister Smitherman has been very kind to the local people every time they've talked to him, but they are having a very deep sense of frustration over whether they're on the list or not.

So are you going to release the list of 105 health care projects that you're prepared to fund over the next few years, or am I wasting a lot of taxpayers' money and time by coming here and beating my head against the wall on behalf of the community?

Hon. Mr. Caplan: It's never a waste of time coming here and having accountability and oversight on government spending. I think this is a very worthwhile and useful endeavour for this legislative committee.

Our intention is to work with local communities, with local hospital boards, and have our conversations with them about what will be proceeding and the schedule of things that will be proceeding; also, the finance methodology that we intend to use as far as moving individual projects forward. That is the method that we are going to be using, given the policy filters, given the regional equities, given the cash flow and the construction capacity elements that I described in my earlier conversation.

I do want to indicate that if we are able to do more faster, we certainly are very interested in doing so, but we believe we have taken a very responsible and realistic approach to providing for the kind of pent-up demand for health care capital.

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I'm often quoting a very illuminating figure, that the average age of a hospital in the province of Ontario is 43 years old. How dedicated our doctors and nurses and other medical professionals are in providing exemplary care to Ontarians is impaired by not having access to state-of-the-art health care facilities. That's why we are embarking upon, I believe, the largest health care capital expansion in this period of time and why we feel such a sense of urgency to bring innovative and alternative kinds of methodologies to be able to do the task.

Mr. Wilson: You'll be hitting a record if you actually fund and get started on these projects, Minister. You've made a lot of announcements, but we've seen very few spades in the ground, as you know.

Hon. Mr. Caplan: Yesterday, your colleague Mr. O'Toole talked about the Peterborough Regional Health Centre. We have started construction there. We had groundbreaking in Listowel just a couple of weeks ago. I know that has begun as well in your colleague Mr. Sterling's riding, in Almonte; at least I believe so. And there are many others.

Mr. Wilson: So when you want to drive up Highway 10, don't forget to stop in at Markdale and take a spade. I'll be happy to supply it.

Hon. Mr. Caplan: After I deal with Wasaga Beach first.

Mr. Wilson: Wasaga Beach is an easy problem. They've spent the money; you just have to pay them back.

Just harping on this for a minute—and I will ask Mr. Smitherman. Not really being too critical here, the way it's set up, your ministries—for instance, the Ministry of Health—don't even allow hospitals to really go to the functional planning stage, which is a fairly preliminary stage before you put a spade in the ground, because they keep referring us over to your ministry. I suspect a bit of that is shuffling chairs on the deck of the Titanic, as they say, or buying a bit of time for the Ministry of Health. But these people raised over \$13 million, when everybody said it couldn't be done, from a relatively small community and a farming community. It's a strategically important hospital. It will never be closed in the history of the province; it will only expand, mainly because of the terrible carnage that we see on a weekly basis on Highway 10. As I say, it's the only hospital between Owen Sound and Orangeville.

The fact of the matter is, they would like to go ahead. It wouldn't require a cash flow this year, really, from your ministry, out of the capital plan. It wouldn't require anything for maybe three or four years in terms of actual cash flowing for construction. They would like to get moving to the planning stage. It seems to me it's good politics. They'll be busy for the next year doing their functional plan.

How do I move that forward? What's your best advice? And can Dr. Hamilton Hall and Pat Campbell, the administrator of the hospital, and just a small group come down and see you? Will you see them and give them advice first-hand? They really have done a tremendous job. This is an area that probably won't even be in my riding next time around, but it's a strategic hospital and it's needed in terms of the trauma that occurs on Highway 10 on a regular basis.

Hon. Mr. Caplan: It certainly will be their loss if they do not have you as their member, Mr. Wilson. But I would say I would be delighted—

Mr. Wilson: That will be in my campaign brochure, I guess.

Hon. Mr. Caplan: I would be delighted to receive the folks from Markdale, to sit and chat with them to find out where they are.

I want you to know that I truly appreciate, whether they are large donors or individual community members, people from all walks of life who step up to support the construction of local hospitals, to support this kind of program. These are the kinds of things which are hubs of community life, which are major drivers, whether it's public policy or just what it is we are working to achieve, broadly speaking, as far as excellent health care, as far as smaller class sizes and investments in education, whether it's elementary, secondary or post-secondary, or whether it's economic prosperity.

Government is a partner with the local community, and I want you to know that we have in no way, shape or form any desire to see things be impeded. In fact, we are doing everything we can. We are scheduling realistically and responsibly what we can to get things moving along. It is through the leadership of Premier McGuinty and through the support of Finance Minister Sorbara that we are having the resources available, and I believe also the leadership to configure the government in such a way as to unblock or to move things where I know there have been very good intentions in the past and there have been many attempts—in fact, some of the foundation pieces were laid by your government and the NDP and Mr. Hampton's government in order to help us to move forward. I say most sincerely that we are building on some of those foundations in order to move these projects ahead. So where we can meet with, co-operate with and partner with local communities, I am very happy to meet, to discuss and try to figure out a methodology.

We will be confirming in this coming year the budgetary policies and the capital plan for the province. We are also adding subsequent years to the five-year plan. We only have an outlook to 2010. We wish to add subsequent years to schedule and to figure out financial arrangements so we can move some of those projects ahead too.

Mr. Wilson: I thank you for agreeing to meet with the folks from Grey county, Grey Bruce Health Services and Markdale Hospital.

In the three minutes I have remaining, another project is Highway 26. As you know, I've raised it many times in the Legislature. It's the realignment of Highway 26

between Stayner and Collingwood. The carnage on that road—I think since 1989, we've had over 435 casualties, many of that number being deaths. The realignment got started in 2003. We did land acquisition in 2001-02. It's about a \$33-million or \$34-million project. Unfortunately, in June 2004, the summer after you were elected, you took the bulldozers off the road. We have a wonderful aerial photograph hanging up in town that shows the realignment half done and the existing road that's still there. How do I get that project moving, given that I don't think any government in the history of Ontario has ever—and it's a 6.7-kilometre project. It's pretty small. I think you guys pulled the bulldozers off there last summer out of politics and spitefulness.

I met with senior MTO officials from the town of Collingwood, the town of Wasaga Beach, the Town of the Blue Mountains and Clearview township yesterday. Everybody wants this project to proceed. It's passing strange that you would pull the bulldozers off in the middle of construction season last year. What are your plans to move forward on that, given that all of the officials I talked to at MTO say it's your ministry that has to give the green light?

Hon. Mr. Caplan: I want to be very clear; in your remarks, you suggested some spiteful element. I want to assure you that was not the case. My understanding is that the construction of Highway 26, the realignment project between Wasaga Beach and Collingwood, was planned to be completed in a number of phases. The first phase was completed in fact in the summer of 2004. I understand that the Ministry of Transportation and the minister were called before estimates, and you could have an opportunity to probe the minister directly, if you so wish, Mr. Wilson, and talk specifically about the project. My understanding is that the Ministry of Transportation is currently completing the design for the next phases of construction, as well as continuing work on the projects for the Highway 26 corridor. But timing—

Mr. Wilson: I just want to save you from reading that briefing note into the record, with all due respect. It's not right. Your own ministry officials, off the record of course, will agree that it's just not right. They're not doing anything. You've cancelled the project. Nobody understands it. It's a safety issue, not a political issue. If it was political, we'd have done the whole thing in the year 2000. The fact of the matter is, we budgeted this thing and your own Minister Takhar admitted in the House that we fully put the \$33 million in the 2000 budget. It's been spent elsewhere since last year. I think they've spent about half of it on half the work they've done so far. The briefing notes aren't right and somebody's spinning a tale here.

The Vice-Chair: Mr. Wilson, your time has elapsed. If the government would like to share minute or two, that's up to them. It's the government's rotation now, and with that—

Ms. Caroline Di Cocco (Sarnia-Lambton): We'll pass it over to the minister.

The Vice-Chair: Very good. You have approximately 20 minutes, Minister.

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Hon. Mr. Caplan: I want to thank the government members for allowing me the time to make some closing comments. First of all, Mr. Chair, I want to thank you and the committee for taking the time to chat with me and offering me an opportunity to provide some insight and some comments into the Ministry of Public Infrastructure Renewal. We're quite proud of the work we've done. We have covered a lot of ground. I want to begin my closing remarks by thanking the committee for the opportunity to appear before you to explain the issues Ontario faces in creating the public infrastructure we need and to describe the actions the government is taking to deal with those issues.

In particular, I want to acknowledge the importance of the opposition members in the proceedings. The purpose of this committee is to scrutinize the way we spend the public's money and therefore uphold the public trust, to make sure we do it wisely and carefully. The loyal opposition makes an important contribution to that process. We have a common purpose and a common responsibility simply to serve the public, and that takes precedence over any political disagreements about the way the purpose is accomplished. And I wish to acknowledge my colleagues on the government side and thank them, too, for their participation.

You know, Mr. Chair, a lot of work we do in government is not very glamorous. It takes places outside of public purview. It does not attract public notice or public comment, but it is important nonetheless. Our government prides itself on doing the right thing, even when we don't get much public recognition for it. You and this committee are doing the right thing by maintaining our commitment to the democratic process, even if no one notices. It is simply part of service to the public that we all promise to perform.

I also wish to mention the honourable Chairman of this committee, who handled the proceedings with evenhandedness, fairness and grace.

For my part, I wish to reiterate our commitment to respond promptly and fully to the questions the committee has raised. I believe in transparency and openness in government, and we will follow through with that commitment. We are giving expression to the belief in transparency and openness in the way we are proceeding to build the infrastructure that the people of Ontario need, a topic I will return to in just a moment.

In my opening remarks, I described some of the challenges we face. There have been decades of neglect and underinvestment, stretching back to the 1980s. Because of that neglect and the failure to maintain a decent state of repair in public facilities, we now face a massive repair bill. We didn't maintain our assets when we could have done it cheaply, and now we have to fix them when it is more expensive. It is part of the price we must now pay for the short-sightedness of our predecessors of all political stripes.

Parts of our infrastructure are simply wearing out. Some of our water pipes in cities like Ottawa and Toronto went into the ground before the turn of the

century—that's the 19th century. At least one city—I believe it's Kenora—is still using wooden pipes. One of our most important highways was named to commemorate Queen Elizabeth—not the current Queen, but her mother. Some of our schools were built in the 1920s, and so were some of our hospitals. Once they were modern, new facilities where our grandparents got treatment; now they treat our children and grandchildren but they are no longer new or modern. We need to repair what can still be fixed and to replace what can't.

Then we must build new infrastructure to accommodate the demographic changes inevitably coming to Ontario. Over the next 25 years, an estimated four million new people will come to live in Ontario, about 85% of them in the greater Golden Horseshoe region centred around Toronto. And that's great news. It will help to sustain our economy. There will be almost two million new jobs created and it will cement our position as a strong competitor in a global economy.

The potential bad news is that we have to build the public infrastructure that those people will need—roads, bridges, schools, highways, hospitals, universities, waste water treatment plants and the like—but we have to start building it now. It takes a decade or more for a major infrastructure project to go from conception to completion. Within two and a half decades we will add the equivalent of Vancouver, Edmonton and Calgary right here in southern Ontario. We are falling behind, and every day we wait it makes it more difficult and ultimately more expensive to catch up.

We need to repair and modernize the facilities we have, we need to build new facilities for the future and we need to take the steps to accommodate our growing and aging society. I want tell you, Mr. Chair and members of the committee, that none of this will be cheap. The most common estimate of the investment required is \$100 billion. I've come to believe that that estimate is low. So one of the crucial issues our government, any government, faces is simply, where can we get the finances to do the job that's required?

Developing mechanisms to provide predictable, sustainable funding for the infrastructure we need is a major challenge. We need the infrastructure. It is absolutely essential to our economic success, and we cannot put it off any longer. But the investment required is beyond the capacity of this government, or of any government, if we rely on traditional methods of finance alone. That is the challenge that the Ministry of Public Infrastructure Renewal has been given. In the balance of my remarks, I will describe how we are planning to meet that challenge.

There are two elements to our plan to renew the public infrastructure of this province. They're equally important, in the sense that we must do both more or less simultaneously. The first is reforming the method we use to procure, finance and manage public assets. The second is a rational, coherent and comprehensive plan to co-ordinate virtually all public capital investments so that we build the right things in the right places, to restore what we have and to create what we need for future growth.

Let me take them in order, although they are going forward at the same time.

We were chosen almost two years ago by the people of Ontario to bring real, positive change to government. One of the most important of those changes is in the process we have developed to procure, finance and manage public infrastructure. There is a new way of doing business in Ontario. It is characterized by openness and transparency in building public projects; by careful management of the procurement process to get a fair deal every time; by careful management of the construction process so projects come in on time and on budget; and finally, by careful management of the resulting public asset so it lasts longer and performs better.

We will also broaden our strategy to encompass partnerships with other governments and with other public agencies like hospital boards and universities so that we work with a common set of priorities toward a common set of outcomes.

Over the next five years, the government and its partners will invest more than \$30 billion in public infrastructure. That is the first step in a long-term plan to restore our public facilities.

That investment is accompanied by major improvements in the processes we use. All projects in which there is a substantial provincial interest, which means all projects of any size, will be subject to the province's infrastructure planning, procurement and management framework, a set of policies and procedures that dramatically improves the infrastructure process.

And because the challenge of infrastructure deficit is so formidable, we have also developed more flexible and better ways to manage public investments in infrastructure. We will look for innovative ways for financing and for paying for the infrastructure we need. But make no mistake: The government will continue to play the leading role in funding public infrastructure. Of the more than \$30 billion the government and its partners plan to invest during the next five years, more than 90% will be direct public investment. But we will also be looking to pools of private capital, like public pension funds, and to long-term financing arrangements that will allow us to build the facilities we need, when we need them. We call this alternative financing procurement, or AFP.

There have been a number of questions by committee members and by others on alternative financing, especially as it applies to hospital projects. I want to deal with those questions as directly and as carefully as I can. I want to ensure that there is no confusion about what we intend to do and how it affects public infrastructure or about what this form of financing would mean for the people of Ontario.

Let me summarize the most frequently asked questions:

(1) Will alternative financing cost more, because the government can borrow money for less than any private sector consortium?

(2) Will alternative financing projects mean that the government will be making secret deals with the private sector?

(3) Will people lose their jobs because alternative financing means rewriting collective agreements?

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(4) Will alternative financing mean that the government will be allowing private sector companies to earn excess profits?

(5) Is alternative financing just another name for privatization and P3s?

I want to answer those questions.

First, it is only superficially true that government can borrow at a lower rate than the private sector, although that would not be true much longer if we borrowed at the pace set by previous governments. Standard and Poor's estimates that Ontario's total indebtedness as a percentage of GDP is now around 27%, which is very high in comparison with other jurisdictions. British Columbia, for example, is around 19%. The deficits your governments accumulate don't disappear when you do. They hang around the necks of our children and grandchildren.

For now, the government can borrow at a marginally lower rate than the private sector, and that is only one of the factors that affect the total cost of infrastructure. But it isn't the only factor, and it isn't the most important. Keeping the lid on cost overruns and poorly estimated projects is much more significant. The government has historically done that poorly, and the private sector has historically done it much better.

For example, the previous government started a hospital project in one Ontario city that was initially estimated at less than \$120 million. It has now been completed one year behind schedule. The cost has ballooned by more than double to more than \$230 million, and the public is on the hook for every dime of that cost overrun.

The fact that the government could borrow at a lower rate than private contractors is interesting but irrelevant. Private contractors have always built public infrastructure; they will continue to build public infrastructure. The only difference is that we are now getting better deals, and if the cost of the projects go over budget, we the people of Ontario don't pay for it. That risk is transferred to the private sector.

The other objections raised about alternative financing are equally nebulous. Will it lead to secret deals? No. Part of the process is a requirement binding all parties that makes contract details public documents. These deals will also be open to Ontario's Auditor General to ensure that the public gets the best value for money. The entire process will be fair, open and transparent, and the mechanisms are in place to make sure that it is.

For example, we are building a hospital in North Bay. All of our requests for proposals related to the project are available on-line through the public procurement Web site. We have provided this information to the Canadian Union of Public Employees, which represents workers at the existing hospital. We haven't signed any final contracts yet using alternative financing. When we do, we will make them public.

Will alternative financing cost people their jobs? No. Existing union contracts will be honoured in every case.

In fact, I believe it will lead to more jobs, because more projects will be built sooner. There will be more jobs after the projects are completed, and there will be more jobs during the construction phase.

One of the issues with alternative financing is that we can't move forward as quickly as we want because there are not enough skilled tradespeople to do the work. Simply put, there are more jobs than there are people to fill them, which is one of the reasons the construction unions are strong supporters of this approach.

Finally, some of the more radical critics say that alternative financing is just another name for privatization, or P3s. Let me be unequivocal about this: Core public assets such as hospitals, schools and water systems will always be publicly owned, publicly controlled and publicly accountable. There is no transfer of public ownership in alternative financing and procurement. To suggest otherwise would simply be fearmongering. The most direct comparison is taking a mortgage on your house to renovate the kitchen. The contractor who installs the new cabinets doesn't end up owning your home, and neither does the consortium that renovates a hospital.

Ontarians are coming to realize that we do not face a choice between building the projects we need now using alternative financing or building them now using traditional financing methods. Our choice is between building now with alternative financing and procurement or delaying until some day in the indeterminate future when traditional methods will allow us to go forward. Given the financial conditions that past governments have caused, that day is not near.

Our economy and our way of life depend on infrastructure that is modern, reliable, efficient and affordable. We can no longer afford to plan and build infrastructure using the slapdash and improvised methods that have been used in the past. We need to plan carefully and thoroughly what we are going to build so that we create real assets, not white elephants. We need to coordinate infrastructure investments across the broader public sector so we are all rowing in the same direction. We need to change the planning horizon from the year-by-year and ministry-by-ministry approach the government has traditionally taken to one that more closely matches the time required to build and the time during which we will be using it. That time is measured in decades, not years.

We have begun that process with the ReNew Ontario strategy that my ministry released earlier this year in conjunction with our provincial budget. But we have only begun. To paraphrase Winston Churchill, this is not the end or the beginning of the end, but it may be the end of the beginning. We are now beginning to build, not just for our needs today but for the needs of our children and grandchildren far into the future.

ReNew Ontario, the government's five-year \$30-billion infrastructure investment plan, includes both long-overdue projects and urgent new initiatives. It focuses on the key priorities of health care, education and economic prosperity. It includes more than \$11 billion for public

transit, highways and borders, more than \$10 billion for schools, colleges and universities and \$5 billion for hospitals and other health care facilities.

All of the infrastructure investments will be paid for with public dollars, but the financing for some large projects will come from the private sector. All of that financing will be repaid from public funds over time. All major projects delivered through the alternative financing and procurement models will be subject to the principles of our infrastructure policy framework, Building a Better Tomorrow, to ensure that all of our infrastructure investments serve the public interest.

The funding for these projects includes:

—\$18 billion of the province's own gross capital investments over the next five years, including federal flow-throughs. This includes \$3.7 billion in gross capital investments in 2005-06 announced in the 2005 provincial budget.

—\$5 billion in capital funding through operating grants to long-term-care homes for per diem payments and to school boards. That does not include funding for the Good Places to Learn initiative and for university expansion, which may be as much as \$4.8 billion or more.

—Approximately \$2.3 billion to \$2.5 billion for projects using alternative financing and procurement methods, a small but vital part of the overall picture.

ReNew Ontario is a strategic five-year infrastructure investment plan, the first in our province's history. It concentrates on investments in areas that Ontarians have said are their priorities: health, education and economic prosperity.

By the year 2010, Ontario and its partners will invest approximately \$5 billion in health care facilities to reduce waiting times, provide better services in high-growth areas and modernize older hospitals. Some highlights of the plan include these projects:

—Funding to start or complete 105 hospital projects that will expand and/or upgrade existing hospitals and build new ones;

—More than \$150 million over five years to improve cancer treatment and expand diagnostic facilities.

—Nine new and seven upgraded MRI machines will be operating by the end of this fiscal year. Together, they will increase the number of MRIs by 15%.

—The number of doctors graduating each year will increase by 15%, starting in 2011-12.

We're also investing in education, and these investments are absolutely essential for our continued economic success. Our continued economic success is based upon the knowledge and skills of our people, and the very nature of knowledge is that it changes rapidly. Manual skills change very slowly. Socrates was a stonemason. That's how he earned his living, in fact, and Socrates the stonemason would still feel very comfortable in a modern stonemasons' yard. But Socrates the philosopher would be totally baffled by both the concerns and the tools of such key disciplines of modern philosophy as symbolic logic or linguistics. Our task is to

prepare our young people for the knowledge-based jobs of tomorrow. By investing in education, we equip ourselves with the skills we need to compete in the global economy. By 2010, Ontario and its partners will invest more than \$10 billion in elementary and secondary schools and in post-secondary facilities.

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Some highlights for the committee:

Over the next five years the Good Places to Learn initiative will provide annual funding to school boards to enable them to undertake approximately \$4-billion worth of projects to address the backlog of repairs and new school construction needed in the system. Approximately \$1.4 billion will be invested over the next five years for planned school construction and to accommodate projected new enrolment growth. In addition, another \$1.5 billion will be provided to school boards over the next five years for ongoing renewal of school facilities. Approximately \$1.8 billion will be provided over the next five years to support school construction already completed, and \$540 million is being invested to renew university and college facilities and buy new equipment, including \$250 million in one-time investments in 2004-05.

Over the next five years, \$600 million will be invested in a major expansion of medical and graduate school space. Graduate education will increase by 14,000 students by 2009-10, and 15% more doctors, as I mentioned earlier. This is in addition to the first freshman class of future doctors who enrolled in the Northern Ontario School of Medicine this fall.

The Vice-Chair: Minister, you've run out of time. If you could wrap it up quickly, I'd appreciate it.

Hon. Mr. Caplan: Mr. Chair, I am certainly cognizant of your time. The balance of my remarks relate to investing in the economy. I just will very quickly wrap that up and come to a conclusion.

The students who benefit from those investments will enrich our society, both in individual and collective terms. They will contribute to an enlightened society and a prosperous one. But there are other investments we must also make to ensure economic success. Public infrastructure, including efficient transportation and transit systems, is essential to a robust economy. In addition to investments in health care and education, which improve our economy, Ontario and its partners are making strategic infrastructure investments that will have a substantial impact on our economic prosperity and quality of life. By 2010, Ontario and its partners will invest \$6.9 billion for highways, border infrastructure and other transportation projects. These include accelerating the four-laning of Highway 69 between Parry Sound and Sudbury, and Highway 11 between Huntsville and North Bay. In southern Ontario, 22 new highway projects will focus on areas with high traffic volume and significant safety issues. Some \$638 million to relieve congestion at borders includes \$300 million to support improvements at the Windsor gateway and \$323 million for improvements in Niagara and, Ms. Di Cocco will be interested to learn, the Sarnia border crossings as well.

Another \$4.5 billion will be invested in public transit, including \$3.1 billion to improve and expand public transit, including major investments in GO, the TCC and the O-Train, and \$1.4 billion to improve 83 transit systems in 110 municipalities through the provincial gasoline tax.

Mr. Chair, I'll conclude my remarks. I had a little bit more, but I think it's important to note that those are all important achievements and I am happy to acknowledge the hard work and dedication of my ministry staff. I especially want to thank, here and now, Deputy Minister Geoff Hare for his leadership over the past two years in bringing us to where we are, and the staff at my ministry, without whom all of this work would not have been possible.

This work is an important foundation for what we are going to accomplish within the next two years. But now we must turn from planning to implementation, from laying the foundation to building the house. That is the task that will occupy the Ministry of Public Infrastructure Renewal and our government next. I want to assure you, Mr. Chair, and all members of this committee that when I return to this committee next year or the year after, I will have much progress to report. We are beginning a renaissance of public infrastructure in Ontario. It is an exciting time, and there is a lot of work to do. In the coming months, I look forward to working with all members of our Legislative Assembly to get this job done.

Mr. Chair, thank you very much and thank you to the members of this committee for having me here to speak with you today and yesterday.

The Vice-Chair: Thank you very much, Minister, you and your staff. I appreciate the information you've shared with the committee. As you understand, there are a couple of questions from research that are still outstanding. The committee looks forward to receiving those comments.

This ends the public presentation from the Ministry of Public Infrastructure Renewal.

Is the committee ready to vote on the estimates of the ministry? I have three votes.

Shall vote 4001 carry? In support? Carried.

Shall the estimates of the Ministry of Public Infrastructure Renewal carry?

Shall I report the estimates of the Ministry of Public Infrastructure Renewal to the House? That's carried.

That ends the business and review of this ministry. This committee will stand recessed for five minutes, when we will entertain the Ministry of Health.

The committee recessed from 1016 to 1029.

MINISTRY OF HEALTH AND LONG-TERM CARE

The Vice-Chair: Good morning. This committee reconvenes for the intention of reviewing the Ministry of Health estimates. Welcome, Minister and staff. We look forward to your presentation. It's your time.

Hon. George Smitherman (Minister of Health and Long-Term Care): Thank you very much, Mr. Chair, fellow members from all sides of the House and members of the public.

The Vice-Chair: Just one moment, Minister. Procedurally, there's one small but glaring question. There's some question as to whether or not we need the Minister of Health Promotion to attend these proceedings this afternoon. Any questions?

Ms. Di Cocco: I think it might be possible at the end of the seven and a half hours if there are questions that come forward during this session, so that we don't have a minister sitting here unnecessarily. Would that be possible, Chair, if it's required for him to come in, if there are questions for him specifically?

1030

The Vice-Chair: That would affect the ministry's overall seven and a half hours of time allocated. Other members of the committee may wish to comment. The question before us is whether or not we want the Minister of Health Promotion to attend these proceedings at some time. Further questions?

Mrs. Elizabeth Witmer (Kitchener-Waterloo): No, that won't be necessary.

Ms. Shelley Martel (Nickel Belt): Because we don't have revised estimates, I'd like to get some information about what budgets and how much of the budgets have gone to this office. So either that can be given to us from the minister and the deputy during the course of this questioning, or we could set aside time for that so we can get that information later today or tomorrow within the seven-and-a-half-hour period. Perhaps the deputy or the minister can tell me if we can get that information from you during the course of these proceedings. If that's easy, that would work.

Interjection.

The Vice-Chair: The money set aside specifically for that program spending.

Hon. Mr. Smitherman: Yes, we'll undertake to do that. I don't know what shape and form it will look like, but we will, if it would be appropriate, figure out what that's going to look like in terms of a time frame and then make sure that you're aware of it, and you could balance that with the needs of the committee.

The Vice-Chair: Very good. So I guess at this time we don't need to put the Minister of Health Promotion on notice.

Ms. Di Cocco: Great. That's good.

The Vice-Chair: Is the committee agreed? Great, thank you. Proceed, Minister.

Hon. Mr. Smitherman: Thanks very much, Mr. Chair.

Fellow members from all sides of the House and members of the public, it's a very great honour for me to be here, appearing today before the Ontario Legislature's standing committee on estimates. It's also an honour for me to introduce two members of our extraordinary team, those people who do the hard work at the Ministry of Health and Long-Term Care, who weren't with us last

year. I'm pleased to be able to introduce Ron Sapsford, our new deputy minister, and in the end seat on the third row, over my right shoulder, is Dr. Joshua Tepper, the first assistant deputy minister for health human resources that Ontario has ever had. I'll be speaking a little bit more about Dr. Tepper's role in just a few minutes. I'm very, very hopeful, and I send this message to the people in room 230, that you'll get a chance over the rest of the course of our hours together to eat—to meet, rather; well, take your best shot—to meet other members of the team.

I'd like to say that however much some of my friends opposite might be hoping to make this a less than happy occasion for me, and I don't begrudge them that, it is a real pleasure to be here. I think that the estimates defence is a key part of what makes a democratic government work.

It's very fashionable today to talk about accountability in government. It's a term one hears so often that I sometimes fear it may lose a little of its meaning and importance, and that would be a shame, because accountability is everything in government. We were elected two years ago in very large measure because the people of Ontario wanted a government that would be accountable. They wanted a government that would take responsibility for taxpayer dollars, not one that would hide multi-billion-dollar deficits. They wanted a government that would make tough decisions if they were the right decisions, instead of a government that would always seek the path of least resistance. They wanted a government that would govern with an eye on the next generation, instead of planning for the next election. The people of Ontario put their faith in us and demanded in return that we be accountable to them for every decision that we make and every action that we take, and that's why I'm here. The estimates defence process opens the government up to public scrutiny, and we welcome that. At the end of this process, Ontarians will, I think, have been very well served. Their government will have been held accountable by them and by itself, and that's the name of the game.

I'd like to start today by taking you back almost two years to one of the very first actions that we took as a government, because it is in the context of Bill 8, the Commitment to the Future of Medicare Act, that everything we have done since should be viewed. Bill 8 enshrined the very concept of medicare into law. It enshrined the notion of equal access for all, and it made illegal the kind of two-tier, pay-your-way-to-the-front-of-the-line health care that the ideological saboteurs of medicare would like to see. Bill 8 embedded accountability into the very fabric of medicare by adding it as a sixth principle on top of the five in the Canada Health Act. Roy Romanow recommended that. Bill 8 defined us as a government in terms of our fierce commitment to the principle of a publicly funded health care system and our willingness to do whatever needs to be done to defend and promote that system. In the wake of the Chaoulli decision, I consider it more important than ever that we be seen and judged in that context. I'll have a little more

to say about that particular Supreme Court ruling in just a moment.

Right now, though, I want to tell you where we are, halfway through the mandate of the McGuinty government, and a little bit about where we're going. I want to talk about our vision of health care. It's a vision of a system that will help keep Ontarians healthy, get them good care when they are sick and be there for their children and their grandchildren. Our plan for making that vision a reality is built upon three key priorities, which we have committed to deliver and which we are delivering: shorter wait times, healthier Ontarians and better access to doctors and nurses. In the process of implementing this plan, we are, in effect, also building a system where one really never existed before; one that is responsive to the needs of Ontario's communities and the people who live there, one that integrates to the benefit of patients and one that emphasizes accountability and transparency in a way that has never been done before in our province.

Let me start with wait times, a subject that has obviously generated a fair bit of hyperbole in this country in the wake of the Chaoulli decision. Wait times are a critical barometer in health care. If they're too long, your system is not working properly. The Supreme Court made that very clear for anyone who didn't already know it. But here's the thing: We did know it already. We weren't waiting around for the Supreme Court of Canada to tell us that wait times were a problem. We made our determination to shorten them a key part of our election platform, and we have been on that case particularly for the past two years. Our wait time strategy is designed to shorten wait times in five critical areas by funding an unprecedented number of new procedures, and then keep them shorter by building a system to properly manage them. That's something we've never had in this province.

Since taking office, we have funded 240,000 new procedures—nearly a quarter of a million—in five key, priority areas: hip and knee replacements, cataract surgeries, cardiac procedures, cancer procedures and MRI/CT scans. By way of example, if we look at the total number of MRIs we've funded since taking office in this province, we're talking about 116,745 more procedures, an increase of a whopping 42%. This is yielding results. Royal Victoria Hospital in Barrie estimates that wait times for MRIs have dropped there from 42 weeks last November to a little over 14 weeks in July. I've heard anecdotes of people in those communities who are now attending for MRIs at 2 o'clock in the morning, when before our government came to office, those MRI suites lay dormant and the lights were out.

Overall I'm sure we can all see what an extraordinary difference these investments are making in the lives of thousands and thousands of Ontarians. But we're doing more than simply funding new procedures. The increased volumes are attacking the symptom, if you will, but we are also tackling the overall problem. We're not doing that alone. To date, more than 200 doctors have worked on expert panels to create a template for better ap-

proaches to handling wait times right across the system. A critical part of reducing wait times and keeping them shorter is managing them, and as I said earlier, until now there really has not been a system in place for doing this. For example, we inherited a system where nobody knew—I know this will sound incredible, but it must be said—how many cancer surgeries were being delivered each year in Ontario. According to a survey we conducted a year or so ago, MRI wait times varied from four weeks to 50 weeks depending on which hospital you were at. That is not a system, that's a roll of the dice, and we're changing that.

For the first time ever, we're building a system in Ontario to measure and report to patients on a Web site about the state of wait times in this province, starting with our five key areas. I can tell you that within the next few days our wait times Web site will be featuring up-to-date wait times data broken out by specific procedure, by hospital and by local health integration network area. I wonder whether my friends can see what a hugely powerful tool we're placing in the hands of Ontarians with this Web site. Imagine, for a second, being able to tap a few keys and find out how long the wait is for a particular procedure at your local hospital. Imagine thinking to yourself that you don't really want to wait that long, tapping a few more keys and finding out that waits at the hospital an hour or so up the road are only half as long. You tell your doctor, get a referral to the hospital up the road and get your procedure in a more timely manner. This Web site will serve Ontarians well. It's a model of transparency, it will allow people to take control of their own health care and it will drive accountability into the health care system.

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Let me move on to our second key priority: healthier Ontarians. It should be self-evident that keeping people healthy is just as important as caring for them when they get sick. The best kind of health care system seeks to prevent illness in the first place, and that's the system we're proud to be building in Ontario. We demonstrated our commitment to that back in June, when Premier McGuinty appointed my colleague Jim Watson as Minister of Health Promotion. This is the first time this province has ever had a cabinet portfolio solely dedicated to promoting healthy living and illness prevention, because the fact is that Ontarians keeping themselves healthier is a key contributor to the overall sustainability of health care. This is something we all can and should do. It was certainly part of my motivation to compete in a half marathon this past weekend.

Since taking office, we have undertaken the most comprehensive changes to public health seen in this province since the 1980s. As my colleagues will know, Operation Health Protection, which we launched in June 2004, called for an increase in the independence and authority of the chief medical officer of health. Legislation to that effect passed last year, and I thank all of my colleagues who supported this bill.

The plan also calls for increasing public health capacity at the local level by raising the province's share

of public health funding, which stood at 50% when we took office. That is being done. We are now responsible for 55%, and that will rise to 75% by January 2007.

We also now have the most comprehensive tobacco control strategy in North America. Again, I'd like to thank members from all sides who offered very strong support for these reforms. The smoke-free Ontario strategy features programs to prevent children and youth from starting to smoke, to help Ontarians who do smoke to quit and to protect Ontarians from exposure to second-hand smoke.

Thanks to the Smoke-Free Ontario Act, smoking will be banned in all enclosed public places and workplaces as of May 31, 2006—no exemptions. At the risk of sounding melodramatic, eight months from now this province will be a healthier place to live and to work. The Smoke-Free Ontario Act will also toughen laws on tobacco sales to minors. As of 2008, Ontario children will no longer be exposed to any visible tobacco product in almost any part of the retail sector. I'm very happy to note that, going forward, Minister Watson will be carrying the largest part of the tobacco file. That will be in his very capable and experienced hands.

Last year we introduced three new vaccines to protect children against meningitis, pneumococcal disease and chicken pox.

Fundamental to the notion of keeping Ontarians healthier is improving the care they receive in their homes and their communities. Our entire plan for health care is built on the understanding that the best health care is that which is delivered closer to home. So we are continuing this year with investments in community level care that are unprecedented in Ontario's proud history. We've made a record \$1.46-billion investment in home care so that Ontarians can receive the dedicated, compassionate care they need and deserve in the comfort of their own homes. Our funding this year will help an additional 45,000 acute clients, who will be able to receive the care they need in the dignity and comfort of their homes instead of in hospitals. This will also allow hospitals to better provide the acute care services they are so good at providing.

We're making a 21% increase—an extra \$91.7 million—in funding for community mental health services, which is a critical part of our health care system and one that was all too frequently overlooked by previous governments. Our investments include \$27.5 million per year specifically to divert people with mental illness away from the criminal justice and correctional systems. The money will go to community mental health agencies across the province that will provide services to an additional 12,000 people.

We are continuing the revolution in long-term care with a funding increase of \$233 million, or 9.4%, including 700 new beds and the continued hiring of new staff that was begun last year. The coming session will also see us introduce a new long-term-care homes act. It will be the cornerstone upon which we build a long-term-care system that will be a model for the rest of the country.

Moving on to our third priority, we have made great progress, since taking office, improving the access Ontarians have to doctors and nurses. There is no doubt that many challenges remain, but we have made significant progress that deserves more attention, I believe, than that which has been provided so far.

As I mentioned at the outset, three weeks ago, Ontario got a first: an ADM for health human resources who reports jointly to my ministry and to the Ministry of Training, Colleges and Universities. Dr. Josh Tepper's mission is to move us forward even faster. His time spent delivering health care in more than a dozen rural and remote communities, like Ignace, serves as his motivation to excel.

He'll be building on a few things where we should cut through the noise and take time to celebrate, because they're very impressive results. For example, the report by the Canadian Institute for Health Information indicates that in 2004, for the first time in a long time—perhaps ever—more doctors moved to Canada from abroad than left here; or the news from the College of Physicians and Surgeons of Ontario that we issued more medical licences in this province last year than we have in almost 20 years; or the fact that, according to the College of Nurses of Ontario, the number of nurses working full-time in Ontario went from an estimated 51.7% last year to 59% today, a number, by the way, that is verified by the Registered Nurses Association of Ontario. On the subject of full-time jobs for nurses, we've created 3,062 nursing jobs since taking office, and I'll have more to say about that in a moment. The fact is, we are making significant progress and the investments that we are making this year are designed to continue this trend.

As you all know, we reached an agreement last spring with this province's doctors, one that makes Ontario an extremely attractive place to practise medicine. It's a groundbreaking agreement that encourages doctors to practise in new and better ways—group practice being a key example—and rewards them and enhances their ability to provide comprehensive primary care to Ontarians. Under that agreement, fee increases totalling \$200 million kick in on October 1. This money will go to support doctors working in group practices, more after-hour patient care and care for seniors.

We're increasing medical school enrolment by 15% over the next four years; that's 104 new undergraduate positions by 2008-09. We're also investing more than \$16 million this year to increase family residency positions. By 2007-08, we will have trained 340 more family doctors in Ontario who will provide care to some 400,000 Ontarians.

Let's stop to celebrate this point. It was not very long ago in Ontario that family residency spots went unselected, as people chose instead to pursue specialties nearly exclusively. It is only through the efforts that we have taken to date to revitalize the role of the comprehensive family practitioner, to introduce new forms of practice like interdisciplinary practices, that an aston-

ishing percentage of those residents in our system today supported our agreement with the Ontario Medical Association.

We're training more international medical graduates than ever before, giving many qualified people, who until now have had their dreams of practising medicine in Ontario frustrated, a crack at making their dreams come true. We need them. And while the situation is improving with respect to international medical graduates, we still have much more work to do. We've established a program with the College of Physicians and Surgeons to repatriate doctors practising outside Ontario who would like to work here.

In addition to ensuring that we have more doctors, we are increasing the access Ontarians have to them. We're creating seven new community health centres and five new satellite CHCs over the next two years, building on the 10 satellites currently being implemented. Community health centres are a critically important part of our community-based health care plan, delivering care to those people in our society who might otherwise have fallen through the cracks in our system. I am proud to be part of a government that is expanding a network of community health centres, something that has been long since overdue.

Of course, we are going to continue with the creation of our 150 family health teams. Next month, we'll be announcing the next wave of family health teams, building on the 69 that we announced last spring. Family health teams are the embodiment of the kind of primary care reform that experts like Roy Romanow have been calling for for years. They are groups of doctors, nurses and nurse practitioners working with other health professionals, ranging from mental health workers to pharmacists, to deliver the best kind of comprehensive care to thousands and thousands of Ontarians, many of whom might previously not have had access to a family doctor.

We increased funding for our hospitals by 4.7% this year. More importantly, we introduced multi-year funding that hospitals have said for many years they need to better plan for the future. It's just common sense. From here on out, hospitals will obviously be much better able to plan for their needs and the needs of their patients.

1050

We're also making an extremely significant investment in hospital infrastructure around this province. As part of our \$30-billion ReNew Ontario public infrastructure plan, we will be investing approximately \$5 billion over the next five years in 66 new hospital projects and in finishing 39 others. These projects will allow hospitals to upgrade and modernize, reduce wait times and provide better service in high growth areas.

Clearly, not every hospital that wants to launch a major capital project is going to be able to do so. That would simply be unrealistic, both in terms of our capital budget and when you consider the added operational costs associated with every new project.

All of these investments in hospitals, family health teams and community health centres, as well as community mental health and home care, will result in more jobs for nurses as we continue to build on the more than 3,062 full-time nursing jobs that I mentioned earlier we have created to date.

The situation with regard to nurses is pretty simple. They're the heart and soul of health care, and you can't have a health care system without them. So we are investing heavily in better education and professional opportunities for nurses, as well as safer nursing working conditions. I'm talking about mentorship programs and initiatives to provide late-career nurses with less physically demanding roles to keep them working longer and continuing education programs that will ensure nurses have the knowledge and skills that they need to succeed in a very demanding profession. We have invested \$114 million in ceiling-mounted bed lifts and other safety equipment to reduce the risk of on-the-job injury. In short, we are working very hard to make the lives of nurses better and the jobs of nurses safer and more satisfying.

Ladies and gentlemen, I think I've given you a fair idea of the changes and improvements we are making within Ontario's health care system. I'd like to end by talking to you about a couple of very significant changes we are making to the system itself.

As I said at the outset, we are building a system that emphasizes accountability and transparency in a way that has never been done before in this province. The tool with which we're driving that accountability and transparency is the newly created Ontario Health Quality Council. As most of you know, the Ontario Health Quality Council was established as part of Bill 8, the Commitment to the Future of Medicare Act. The mandate of the Ontario Health Quality Council is to monitor the province's health care system and report to the public on access to publicly funded health services, access to doctors and nurses and the overall health of Ontarians.

What that means is that the council is going to tell the health care story to Ontarians in a way that has never been done before. What was previously an exclusive discussion, complete with acronym language barriers that was carried out exclusively sometimes by people like us in gatherings like this, will now be made accessible to anyone in this province who cares to pay attention.

The council is an independent body. It couldn't do the job we need it to do if it weren't. Just two weeks ago, we announced the 10 founding members of the council, 10 people who bring a tremendous range of health care knowledge to the council, as well as a fierce commitment to helping to improve Ontario's health care system. Their job is to shine a light on the health care system we're building and running on behalf of Ontarians and to give them a sense of how well we're doing. It's their health care system, paid for with their tax dollars. They own this system and, accordingly, they have a right to know how well their money is being spent. The Ontario Health Quality Council is going to deliver annual reports on how

Ontario's health care system is performing and on the health of Ontarians. The first will be delivered before the end of this fiscal year.

One of the highlights for me of the upcoming session of the Legislature will be the introduction of our local health integration network legislation. It is something we have been building toward for most of the past two years, since we first determined that this was the direction we wanted to take health care in Ontario, because it's the right direction, though quite frankly it's a direction that previous governments have either been unwilling or were afraid to take.

We told the people of Ontario during the last election campaign that we thought the status quo in health care wasn't good enough, and they apparently agreed, because here we are. Thanks to LHINS, the status quo is no more. We launched our 14 new local health integration networks in June. They have already begun to create the culture for an ongoing dialogue among themselves, local health care providers and, more importantly, their communities, a conversation that has never taken place before. The legislation we are going to introduce, if passed, is going to grant them the power and authority they need to move from dialogue to action.

Local health integration networks represent a dramatic change and a significant improvement in the way we manage health care in this province. The simple fact is, health care in Ontario is a \$33-billion operation, and as I have said many times, you can't micromanage a \$33-billion operation from head office. It's not even sensible to try. You can shovel 33 billion bucks out the door, you can even point it, vaguely, in the direction that you want it to go, but to ensure that it does what you need it to do, to ensure that every community care access centre, every community support agency and every long-term-care home across this immense province gets a fair and equitable share of funding, to ensure the health care dollars are going to meet the specific needs of individual Ontarians and the specific priorities of separate communities, north, south, east and west, to ensure all that, you need good people in those communities on the ground, managing the system for you and for Ontarians. That's what local health integration networks are all about. They'll be there, in the community, engaging Ontarians, involving them in a broad conversation about their health care in a way that people at the local level have never been involved before, making them part of the debate and part of the outcome. Local health integration networks are going to help us build a system that has patients at its centre, to ensure that in an environment where there will always be fewer resources than we'd prefer, they are prioritized with patients and communities at the forefront in that discussion.

Now, it's not going to happen overnight. This will be an evolutionary process. We plan to take much of the power and authority that currently resides in my office, in the health ministry, team it up with the power to plan and to implement, and through the legislation, transfer it to our local health integration networks. It is community-based government, by and for the community.

Before I conclude, I'd like to say just a few words about the health care situation nationally, which I think is quite promising. I think this is a political era in this country at least partly defined by a collective will to work together to ensure that citizens from coast to coast have health care that they can depend upon. That's why first ministers from the provinces, territories and the federal government came together a year ago to sign a health accord that is designed to ensure Canadians receive the health care they need in a timely manner. It's why I have been working so hard with my provincial colleagues to come up with a partnership model that includes the federal government and drug manufacturers, to provide for Fabry's disease and other such rare diseases. It's why my provincial colleagues and I are calling on Ottawa to step up to the plate and take a partnership role with us in implementing the expensive drugs for rare diseases strategy, to help us ensure that people suffering from these rare diseases don't fall through the cracks. Health care is a provincial responsibility, but in our country, obviously, it's a national undertaking. I look forward to continuing to work with my colleagues across the country in honouring the spirit of that undertaking.

In closing, I'd like to repeat what I said at the outset: It's a tremendous pleasure to be here and an honour to address this committee. Looking back on the past two years, I could cite any number of individual health care accomplishments that I consider to be significant, but there is one overall achievement of which I am most proud: We've defined the problem, we've drawn up a plan, and the implementation is well underway. Between local health integration networks and the Ontario Health Quality Council, the system that delivers health care to Ontarians will never be the same again. With wait times coming down and access to doctors and nurses improving, we're building a system that is much more likely to meet the understandably high expectations of Ontarians, and they deserve no less. Thank you.

The Vice-Chair: Thank you very much, Minister. With that, we'll start the process whereby the opposition will have 30 minutes, followed by the NDP, who will have 30 minutes, to either make a statement or engage the minister in questions.

Mrs. Witmer: Thank you very much, Minister Smitherman, for your presentation. Before I begin, having normally sat in the chair that you occupy, I know how much work has gone into the preparation of these estimates, and I want to express my appreciation to the staff of the Ministry of Health and Long-Term Care. I know it's a big, big job, and I thank you for the work that has been undertaken. I also want to thank the minister's staff, because I know on their part it can be a very stressful, busy time as well. I appreciate that before coming in here today, there were hours and hours spent, and I do appreciate that.

Having said that, I was struck by your use of the words "accountable" and "transparency," Minister. The repetition of those two words really causes me to ask you this question. On page 4 you say that the people of On-

tario demanded "that we be accountable to them for every decision that we make," and then you go on to talk about transparency. I just wonder if you could tell me—and I know there are others who would be interested in the response to this question—why you have made a decision not to provide funding for the Cambridge hospital project. Up until this point, there has been no explanation given to that community, despite the fact that they meet all of the criteria and all of the money is in the bank with their share. I think that's probably what is of most concern to people, that there has been no attempt at any explanation other than no.

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Hon. Mr. Smitherman: I think you had two points on this that are very important. The first is to say that when we talk about accountability and transparency, you can see through a variety of undertakings on the part of our government, particularly as it relates to the actions of the Ministry of Health and Long-Term Care, that we are creating a system in Ontario that lives up more to the word "system." As part and parcel of that, through the Ontario Health Quality Council, it will mean that Ontarians who right now suffer from information overload, often delivered in a fashion which is contradictory—what we're seeking to do is to give Ontarians more access to the discussion around health care so that they can hold their government more accountable, through the creation of a body that will have the responsibility for telling the health care story in a factual way but in a way that makes the discussion, the debate, more accessible. That's the fundamental delivery on commitment with respect to accountability.

The premise of your question with respect to Cambridge, not surprisingly, is all wrong. Firstly, if you want to talk about accountability related to Cambridge, then we can't go very far down the path without ducking the reality, which is that in the run-up to the last election, your party—you were not the Minister of Health at that time, but I believe you might have been the Deputy Premier—ran around Ontario heightening expectations with respect to Ontario's capacity to fund every worthwhile hospital project. I'm sure I'll have the opportunity to read into the record some of Mr. Tory's quotes confirming that that had gone on. He certainly delivered those very articulately in Cornwall.

I think I'll argue your point too with respect to Cambridge. The bottom line in Cambridge, and with all of these other projects where expectation has been created—artificially created, I argue strenuously—is that we know the Cambridge project is a good project, and it is not a matter of if, only when, in terms of our ability to support the move forward on that project. You say there has been no communication with Cambridge. Of course, this is inaccurate, as I took the opportunity a week ago yesterday to meet with the mayor, the hospital board chair and the hospital CEO. Subsequently I've been in conversation, as an example, with the regional chair to express our view that as a government we seek, as quickly as we can, to be in a position to support the important project in Cambridge.

But again, given your very role through the Health Services Restructuring Commission, which dramatically underestimated costs related to capital projects, you had an obligation as a government to complete all of this capital development by 2003. The obvious reality is that, in a similar sense to the operating deficit you left behind, there was a capital expectation created that was a deficit of its own. That has obvious operating implications as well through post-construction operating programs.

All of these things taken together create a fiscal situation in our province which we have worked very hard to address, and evidence is there today—as an example, on the deficit number—to show that we're making good progress against what was left behind. On capital, too, we're making very good progress, but at the moment we do not have the capacity fiscally, and probably from a construction standpoint too, to build every worthwhile project. The message I have worked hard to send to the people of Cambridge, and one which I'm prepared to send again today, is that we know this is a much-needed project, we know that good work has been done, and we will support that project when it is possible to do so.

If you wish to ask me more questions related to the project that we were able to support, which I believe is in your riding, it has very significant regional implications associated with it. But even while I will advance very positive arguments in favour of the projects that we are able to support at the moment at Grand River, I will not in any way do so with a view toward diminishing the need in Cambridge. We will continue to work toward a resolution in Cambridge. I have been clear in saying to all of those individuals that the ministry will bring the highest degree of creativity and openness to the work that we undertake as we seek to find the appropriate capacity to advance that much-needed project in Cambridge.

Mrs. Witmer: Thank you very much, Mr. Smitherman, although I would have to tell you I certainly don't agree with all of what you have just said.

I guess I would mention to you that all the recommendations that were made and all the approvals that were given were based on the recommendations of a very independent health restructuring commission, and I see the ministry and this government now making similar commitments to projects throughout the province; for example, the new Oakville hospital in 2009. Obviously, again, do you know what? The reality is, commitments are made. There is an expectation on the part of communities that governments will follow through. That hasn't happened.

But I think the people of Cambridge are also aware that there are new hospital projects that were never recommended by the commission that you are planning to fund now, so obviously your government has made some choices, and in making these choices, Cambridge is no longer a priority. That is regrettable, because we have an aging infrastructure. Unfortunately, money that was to be used in the operating budget is being used to repair an aging facility. It's going to be increasingly difficult for the dedicated, hard-working staff to be able to achieve

the wait times that are being asked of them, to deliver the same number of services. The quality of care will remain the same because of the dedicated, hard-working individuals; however, the services and what happens there is going to change, and that is regrettable.

As you know, the campaign that took place in our community was one that was based on "One Voice, One Vision." The community made financial donations and the money is in the bank. The region was one of the few regions, I might add, in all of the province of Ontario that saw the need for more health services being so necessary that they had a levy and the municipality, Cambridge, collected from people. So there has been an overwhelming response. I know that in some of the projects you've announced, there has not been any fundraising taking place, or nothing in the way of the level of support.

So my concern is that these dedicated people will be asked to continue to deliver quality of care, which I know they can do, but obviously the number of procedures and the ability to meet wait times are going to suffer some consequence.

Having said that, I want to turn to wait times, because on pages 2 and 3 you talk about shorter wait times. I want to ask you, what are the benchmarks that the government is using? What are the targets that you are moving toward?

Hon. Mr. Smitherman: I'll take the opportunity to answer both sets of questions together.

First, let's not pretend here that the Oakville hospital wasn't on a list left behind by your government. You talked about HSRC and tried to separate yourself from the obligation—

Mrs. Witmer: No, we announced that.

Hon. Mr. Smitherman: That's right, so a list totalling \$6 billion or \$8 billion—\$8 billion by the current estimate of the Ontario Hospital Association.

To your premise that other hospital projects don't enjoy community support, I found that a bit astounding, so I'm hoping you will provide me with some insight into those that you don't think had sufficient community support.

Mrs. Witmer: Financial support.

Hon. Mr. Smitherman: I'm not interested in the game of trading one of these off against the other. Like I said at the beginning, I can do nothing except positively acknowledge the good work of the people of the region in Cambridge. I've said very clearly that it's a project that we very much want to support and that we recognize the need for. I think evidence of our support for this hospital is that we put a brand new CT scanner in there just in the last number of months to address wait time challenges. I think that's important. On the issue of repairs there, we've been clear also in saying to the hospital that we're going to work with them and do what we can to address circumstances, even if that's on a more interim basis.

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On all these points, we've sought to say that in the circumstances, which we recognize are not ideal because

we cannot do everything that your party on its way out of office sought to create the expectation for, we will still, through ReNew Ontario, go to some extraordinary measure to address all that can be addressed.

With respect to your issue on wait times, if you read the conditions that came out of the First Ministers' meeting of last September, there are obligations on the provinces to establish access targets. Accordingly, our government will be fulfilling those commitments. I'm going from memory here, but I believe that that commitment is to do so by the end of December this year. That's something we are currently on pace to be able to do.

I can tell you that notwithstanding that, however, we've gone to town on addressing key wait-time priorities. I think that one that stands out with lots of evidence of exceptional progress—and this is a credit to a lot of people working out there on the front lines of health care, working shifts into the evening and through the night—is on access to MRI exams. We have increased access to MRI by 42% in the province of Ontario. We're always seeking to identify where additional resources are required to equalize the access that Ontarians enjoy to those services. That's a benefit that local health integration networks will enhance our capacity to do over time.

Mrs. Witmer: I guess you still didn't answer my question. We hear a lot about funding for additional procedures, but I want to know what your benchmarks are, what your targets are.

Hon. Mr. Smitherman: I did answer your question directly but I'll do it one more time. In keeping with the First Ministers' agreement, provinces were to have these established. There's a whole sequencing of events there. There is some detail that we'd be happy to offer if you haven't had the advantage of seeing that prior. Ontario will be in a position to confirm these by the end of December of this year—I nearly said “fiscal year”—by the end of December of this calendar year. That's entirely in keeping with the commitments that our Premier made on behalf of the people of Ontario and the First Ministers' accord.

Mrs. Witmer: I still don't think I have my answer.

Hon. Mr. Smitherman: It's forthcoming by the end of the year, in keeping with the First Ministers' accord.

Mrs. Witmer: Right. So basically, the public has not had the opportunity to see what your benchmarks are and we don't know what your targets are, and we're not going to see them until when?

Hon. Mr. Smitherman: You're not going to see them for a few more months, in keeping with the First Ministers' accord. However, within the next number of weeks, Ontarians will begin to see what the current state of wait times is. We will be in this position, for the first time in Ontario, because we've been building a system that you, as the longest-serving minister in the Conservative government, chose not to address. It is a system that accurately, across a broad number of things, actually captures information and makes it available to the public.

Talk about transparency. Within a couple of weeks in Ontario, every Ontarian who has access to a computer,

which, because every library has a computer, is getting to be pretty extensive, is going to be able to go on there on a hospital-by-hospital basis and take a look at what actual wait times are.

Yes, we are taking advice from a wide variety of groups around the appropriate evidence-based indications for benchmarks and for access targets, and those are forthcoming. But we have not waited. We have obviously already, by increasing procedures by almost a quarter of a million, begun to address these wait times head on by doing two things at the same time: increasing volumes, and asking panels of experts—doctors, who have themselves become tremendous leaders of change in the hospital environment—to help us on an expert panel basis to do a bunch of the work that, frankly, I say to the honourable member, could easily have taken up some of her time and energy when she was Minister of Health and didn't.

We're working hard to build a system to accurately capture this information and make it available to Ontarians and to learn the lessons, as we go through these on a case-by-case basis, that can be applied to all procedures across the province. We're addressing the symptoms through volumes, and we're getting to the heart of the matter by working with experts to change the way we practise the delivery of many of these services, especially in the hospital environment.

As far as I can tell, this has been an amazingly beautiful awakening for a lot of clinicians in Ontario who have actually actively been engaged by the ministry.

Dr. Alan Hudson, Hugh MacLeod, the head of our health results team, and one of our associate deputy ministers, Dr. Peter Glynn, have been working and have helped Ontario become, in less than two years, a foremost leader in the country around the issue of wait times. This is one more example of the concentrated effort of our government, where we will move Ontario from worst to first.

Mrs. Witmer: As the minister well knows, we were pleased to be able to set up the Cardiac Care Network, which actually started dealing with this whole issue of procedures, wait times and targets. Since your government has assumed office, “wait times” has become the buzzword, not just in Ontario but throughout Canada and in fact throughout many parts of the world. For the public, this is now the popular phrase that people are using. It really is “wait times.”

Until we actually see what the benchmarks are that you're going to be using and what your targets are, it's not of much value. The public can go and take a look at wait times, and I know that I've taken a look at some of the wait times when I've met with individuals. I guess what I hear you saying is that sometime toward the end of 2005, we are going to see the benchmarks that the government is using and also what the targets are going to be. Is that accurate?

Hon. Mr. Smitherman: Part of that is accurate. I'm not one of those who is prepared to usurp the voice of Ontarians and describe as “useless” information that tells them directly what level of service they can expect in

their local hospital. I don't characterize that as information that's not helpful in the piece. I take your point with respect to benchmarks and access targets, of course; I understand where you're coming from. But I would just say, in an attempt to lay a question on that, I really don't think that we should characterize making a whole bunch more information available to Ontarians in a timely way about the actual operation of their hospitals as useless.

We kind of feel pretty strenuously that the health care discussion has not necessarily been one that has allowed many Ontarians to access it, because a lot of times we use acronyms and big numbers that can sometimes confuse a storyline. Putting a lot more information in an understandable fashion in the hands of Ontarians we think is a really essential element of the discussion.

On this issue of wait times, you said that it's become commonplace to talk about it; yes, it has, because our party, the first in the country, ran on wait time reductions. Subsequent to that, the federal Liberal Party ran on a similar platform. It's fair to say that here in Ontario—this is, I think, the primary answer to questions around Chaoulli. We view the Chaoulli decision more or less as a validation that, as a government, it's appropriate for us to be focusing on issues respecting wait times. That's why we campaigned on it and that's why you've seen an unprecedented effort to address wait times exactly consistent with what we campaigned on.

We took a campaign promise to the people of Ontario that said we would reduce wait times in these five key areas, areas that have a high degree of disability, much of it associated with aging, and we have addressed already, by an increase of 240,000 procedures, many of those backlogs. So yes, "wait times" is very current language in the discussion around health care in our country, and our party put it there. We campaigned on it.

Mrs. Witmer: The wait time information is important to the public, but they also need to know that if another hospital has shorter wait times, then obviously they have the opportunity to access that hospital in order to have the service provided to them.

You mentioned that you focused on these five key health services. We do continue to hear from people about the fact that it's having an impact on other types of surgery, and I'd like to know what is happening to the wait times for other services.

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Hon. Mr. Smitherman: I think there are two things that need to be said. Firstly, as we begin to collect timely data—you must remember. I have lots of former Ministers of Health here. One of the great frustrations I've experienced is that access to timely and reliable data is—

Mr. Wilson: And future.

Mrs. Witmer: And future. Did you hear that?

Hon. Mr. Smitherman: Yes, OK. That's right. This will help your electoral fortunes. Jim Wilson has just said that he's going to be the next Minister of Health in the province of Ontario.

Mrs. Witmer: I think it will help.

Hon. Mr. Smitherman: Yes. I felt the whole system cringe.

When we identify wait time differentials, of course it's going to encourage a debate. When two hospitals have a different circumstance, there will be a variety of questions that are asked. But there is an important tool that we are in the midst of building that is going to be essential in providing equitable access to service to Ontarians, and that's local health integration networks.

I'll give you an example. It has long been known, but operated under really as a theory—hard to prove—that in the Champlain district, which includes notably the city of Ottawa, and other cities, like Cornwall, that they lag behind on access to hips and knees. Accordingly, therefore, as we are increasing access to those types of services, we seek to do so in a fashion which provides a more equitable balance. So Champlain would receive a larger allocation for hips and knees—in fact, to date, we have saturated all of the capacity that is available for hips and knees in the Champlain district, to the point where we've started to run into other challenges around health human resources, as but one example.

On the issue of wait times in other areas, I think the first thing that needs to be said, and said bluntly, is that this is, in a certain sense, a theoretical argument. The reality is that our wait time strategy cannot be associated with anything beyond the fact that in five key priority areas we have identified new resources and funded those at 100%. We have bought every new procedure, every new advance along the wait time commitments that we have made. We have put additional resources into the Ontario health care system to achieve that, alongside other increases very broadly across the health care system—to enhance the capacity of hospitals, as an example—to focus on an acute care mission, because we've taken back so much of the responsibility that they had for the provision of services that are best provided in the community.

I think that any government should fulfil the commitment that it makes with respect to wait times. We made that with respect to five of them, and we've paid for every new procedure there. We have not rededicated resources from other elements of the health care system to that wait time strategy. Each and every penny for every new procedure was a new penny.

Mrs. Witmer: I have just one point I want to make, and then my colleague Mr. Wilson does have a question.

You know, we have talked a lot about wait times, and the reality is wait times have been a big issue for governments of all stripes for a number of years now. But as I say, at the current time, the awareness is even more heightened as far as the public is concerned. But I'd just like to remind you, Minister Smitherman, that it was our government that started to address that issue. I talked to you about the Cardiac Care Network. I would just like to remind you that as a result of that particular initiative, we were able to reduce the wait times for cardiac surgery by 50%, which is a very significant number. I hope that when you continue to move forward, you will be able to achieve similar results.

Hon. Mr. Smitherman: I think that on very many occasions we've acknowledged that work, as an example, related to cardiac care has been an influence in places like Saskatchewan, but we've gone many steps beyond that by now.

You used the word "awareness" again in your question, and that's why I'm still a little bit dumbfounded that you don't think that it's pretty exciting that within a few days we can go live on a Web site that will give Ontarians never before seen, unprecedented access into real, genuine, timely, verifiable information about what's actually going on in the hospital around the corner, because it's all part of feeding, if you will, that sense of awareness and trying to infuse a greater degree of public participation in the discussion about a public health care system.

But yes, of course, many of the things that we're able to make progress on relate to what I might characterize as the institutional culture and capacity of the health care system. That's on the good side and it's there on the challenges side as well. Maybe it's time that we all stop pretending that, in a four-year window, any one of us can make every move, that there is enough energy or resources available to take every situation that's bad and make it good. You must have priorities in a system this large. I am very proud that as a government we've addressed the priorities that we campaigned on, on the mark.

The Vice-Chair: The Chair recognizes Mr. Wilson.

Mr. Wilson: Thank you, Minister, for appearing today. I just want to correct the record: I'm not promising or planning to become Minister of Health again, so you can all breathe a sigh of relief at the back there—

Hon. Mr. Smitherman: And you too.

Mr. Wilson:—and in room 210. I see you've lost your hair. I certainly lost mine during my two years as Minister of Health.

I just want to ask about a local question. A couple of weekends ago we celebrated at Centre Grey health services, the Markdale hospital site, the raising of over \$13 million. In fact, Dr. Hamilton Hall, who headed up the fundraising campaign locally, who has spoken to you briefly about the new hospital for Markdale, tells me they've actually raised \$13,131,355, which is pretty amazing. When they first approached the Ministry of Health a couple of years ago about building a new hospital in Markdale, I think there was a great deal of skepticism, shared not only by the ministry but by a number of people even in the local community, that they couldn't possibly raise, from about 6,000 residents, over \$13 million for an estimated \$24-million project.

On page 25 of your remarks today you talk about 105 hospital projects that will either get started or redevelopments will occur to existing hospitals. As you know, Grey county has donated the five acres of land for the hospital. They want to present it to you as a model for rural health care and integrated health care in terms of acute care services, long-term-care services, even retirement services, and primary care services in terms of

doctors' offices. We have a terrible shortage of doctors there. As a matter of fact, we have no doctors in Markdale right now. The current hospital is the only hospital between Orangeville and Owen Sound on Highway 10, one of the busiest highways in the province, I'm told. The hospital is strategically located there. In terms of a model for rural health care, I think this new integrated model we'll come up with will be very efficient and a good deal, frankly, for whatever government embraces it.

They've only got their drawings done. They would like to move to functional planning. I talked to Mr. Caplan in the last hour about the dollars that might be available, and he's willing to meet with them. The questions are: Will you meet with them again and give them some guidance, at least? If you can't commit to building the new hospital right now because of dollars, could they at least get to the next stage in the process, which I believe is drawing up functional plans?

Hon. Mr. Smitherman: The deputy may have some more information on this.

Just a couple of things come to mind. Of course, I'm pretty familiar with the Markdale community and with the state of the current hospital. We do have—and I assume it will come up over the seven and a half hours that we're going to spend together—some challenges around the integration of multi-site hospitals. This is something that the Chair is experiencing in his riding and that is being experienced in a variety of other places.

I think your focus on the last bit, on the functional plan, helps us to understand just how complex the situation is with respect to hospital capital funding, because you've introduced one of those variables. Sometimes a community is already at the point where they think they're ready for a new hospital before functional planning has even been initiated or signed off on.

The assurance that I'll give you, to answer your question, is yes, I'd be happy to meet with the hospital. I believe the deputy has had some conversation of late with the CEO of the network of hospitals that Markdale is part and parcel of and he may have some additional information to pass on.

Mr. Wilson: Thank you.

Mr. Ron Sapsford: Just a minor update from my perspective: I think initially, when this proposal was received, it was for the rebuilding of the hospital. In subsequent discussions it's clear, as you've suggested in your question, that the hospital is interested in pursuing other avenues and linking with other levels of care.

Certainly the idea, in rural parts of Ontario, of integrating multiple health services is something the ministry is actively supporting. I'll undertake, certainly, to continue to meet with the hospital or ministry staff to give them the guidance that you have suggested.

Mr. Wilson: Minister, I just want to thank you for agreeing to meet with them, and I'll send you a note to follow up on that.

The Vice-Chair: The Chair recognizes Ms. Martel.

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Ms. Martel: Minister, Deputy, political and bureaucratic staff, thanks for the work in the estimates to date and for your participation here this morning.

I would move right into questions at this time, and I want to start with nursing numbers. I've been for some time trying to track nursing numbers in the province, because I am interested in understanding where the government is at in terms of its commitment to meet the election promise to hire 8,000 new full-time nurses. I wanted to just look at some of the announcements that the government has made in this regard and then ask a series of questions.

Let me go first to some of the announcements the government has made in this regard. I'll go back a bit, to January 17, 2005. It was the same day, Minister, that you were talking about projected nursing layoffs in the order of about 757 full-time equivalents. You also said, on the same day, "As a government we are committed to protecting and promoting full-time nursing jobs, and this year alone we have created some 2,800 of them."

On May 9, during Nursing Week, you made a statement in the Legislature, and it reads as follows: "In all, last year we funded 3,052 new full-time nursing positions in our hospitals, in our long-term-care homes and in home and community care. Already, 2,402 of these have been created, with another 650 funded and in the process of being created."

The Premier earlier this summer, in July, in Windsor, talked about nurses again and said the following: "Since coming to office, 3,002 full-time nursing positions have been created in hospitals and long-term-care homes."

A little later, this fall, Mr. Fonseca put out a release on behalf of the government talking about nurses again, where he said, "We have invested in more than 3,000 new full-time nursing positions in hospitals, long-term care, home care and community mental health."

Today, in your statement, you say you're continuing "to build on the more than 3,062 full-time nursing jobs that I mentioned earlier we have created..."

The numbers, I can understand, will fluctuate, but I really want to have a clear understanding of the difference between "funded," "created" and "invested," if we can start there.

Hon. Mr. Smitherman: I think "funded" and "invested" are the same thing. What you have sometimes is a flow-through, so you make an investment in a certain sector. Let's use long-term care as the best example of this. We have invested enough resources in the long-term-care sector to get 600 additional full-time jobs for nurses. To date, based on the surveying we do, which is the mechanism by which we hold accountable, we have created 375. Those 375 form, therefore, part of a number of 3,062 created; so 3,062 created, with the full recognition of more yet to come in long-term care. If it would be helpful, I could walk through four different numbers that contribute to the 3,062 created, and I could identify those areas where additional investments made, or in the process of being made, will result in more jobs being created. Is that helpful?

Ms. Martel: I have some of those already, and I was going to raise them. But I just want to be clear, from your perspective, the "created" would mean essentially bodies in those positions right now.

Hon. Mr. Smitherman: Yes, verified.

Ms. Martel: And they are new positions.

Hon. Mr. Smitherman: Yes.

Ms. Martel: And they are full-time.

Hon. Mr. Smitherman: Well, the only caveat to that relates to 1,000 positions that will each year see a different set of new graduates being given the opportunity to experience some of the clinical-setting work they require. We will be able further to track over time a lot of those new grads who have gone into a funded position, which is for a shorter term, who have transitioned to full-time employment. That 1,000 would be the only caveat to your use of the word "full-time," but yes, all of these are new.

Just as an example, each year we make available 1,000 opportunities for new grads to experience nursing. We're not counting that each year, we're counting that one time, because each and every year there is such an opportunity. But that would be the only caveat.

Ms. Martel: Let me start with those ones, then, because I do have a concern as to the government using that number as a full-time position. It's clear in correspondence that I also have from the ministry that the government is using the 1,000 full-time temporary nursing positions in hospitals as part of the 1,000 positions that have been created. I question the government using that as a number related to a full-time position that has been created, because your ministry has also advised me that those positions may last between three and six months, that the decision to actually have those positions flow through to a full-time position is at the discretion of the employer, and that the ministry even today could not provide to either me or the public any indication about how many of those have actually been filled.

I got a letter from the nursing secretariat dated September 14 which says, "The new-graduate internship positions are temporary full-time positions for nurses that have graduated in the last 12 months. At the discretion of the employer, these positions may last between three and six months. Funding for 1,000 positions has flowed, with final reports from hospitals and long-term-care homes expected by the end of October." So at this point you don't have a breakdown of what happened to those positions, and because they are positions that may last between three and six months, they may rotate every year, but it's hard to imagine that those can be counted in the system then as 1,000 full-time jobs that will be in place and be able to add to the system.

Hon. Mr. Smitherman: You could debate this all day. I've been transparent in putting them there. The case that I make to you is, they are there every year. The conditions are as you've said. They have an ancillary benefit which you're saying we can't measure, and I agree to acknowledge that they have also caused the transition for additional nurses to be employed. So I take

your point that the 1,000 have actually created additional jobs that we're not even in a position, so far, to be able to take stock of.

Ms. Martel: Minister, if I might, I don't even think you're in a position to say that. The ministry has said to me very clearly that you expect some final reports from hospitals and long-term-care homes at the end of October, and I have requested a breakdown institution by institution of where those positions are. Even today, you couldn't say with any certainty that there are 1,000 new graduates in either three- or six-month positions in hospitals or long-term-care facilities. You don't have that information to make that claim.

Hon. Mr. Smitherman: I don't think that's accurate. I think that we do. I think that the ministry is in a position to be providing resources to fund 1,000 of these on an annualized basis. I think it's an appropriate point to be able to make to Ontarians, that there are 1,000 new positions for new grads that are made available every year that certainly weren't there before we initiated a nursing strategy. The nature of their being temporary does not negate the fact that each and every year there is in the Ontario health care system this opportunity. We're counting them in that sense.

What we've not had the chance to do so far is take advantage of the situation that I came to learn about on an anecdotal basis during a visit to Geraldton this summer, where I met a young woman who was working in the hospital there, who in fact had gained full-time employment as a result of being given the opportunity to do a stint on a temporary full-time basis after her schooling. So there are transition opportunities that are being created for these new grads that we also seek to be able to capture, and haven't so far, in the list of employment created.

In terms of your desire to have information broken down on an institution-by-institution basis, if I could use that word, we are also working very, very diligently to try and improve the data collection capacities as relates to employment around nursing. I would candidly say to you that the greatest frustration—I mentioned this before in the presence of two former health ministers. We're going to greater strides than ever before to be able to gain access to that information in a timely way and to be transparent about reporting it. I'm asking for the same level of detail to ensure, bottom line, that a dollar invested in the Ontario health care system for an express purpose is spent on that purpose, and that's part of our accountability agenda as well.

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Ms. Martel: But it is your reporting of it that leads me to raise this concern. If the ministry had in its possession now a final report from hospitals and long-term-care homes that clearly showed that not only had funding for the 1,000 positions flowed, but in fact in those hospitals that received money and in those long-term-care homes that got money there were actual new graduates in those positions and you could verify that, then I could say with some certainty that it looks like those 1,000 positions have been filled—created.

We're going to argue about whether those are full-time or not, because I don't think the ministry should be using that number in that sense, but the ministry can't provide me with that information now. You use the 1,000 figure as positions where there are bodies in them and you don't even have the information from either the homes or the hospitals to prove that.

Hon. Mr. Smitherman: To the contrary: What I have in my possession and what I have knowledge of is that across the breadth of the long-term-care sector and the hospital sector where these opportunities would be provided, there are requests, from those very same institutions that you ask about, for funding for more than 1,000 of these grads.

If you want to wait for the time lag that is necessary in the data collection as relates to nursing, OK, then we can pick up this debate in two or three years, because the system that we've had around timely access to data on nursing means that those lags are there. We don't even have a combined data collection capacity. We have some at the college. RNAO does their own bit as well. So we're involved in a more intensive level of surveying, which is an important part of the accountability, and that's never been there before.

Here's what I know for sure: There are 1,000 new positions available this year for new grads to experience the incredibly important work of front-line clinical care. We have this year, from those institutions where the opportunities would be provided, requests for funding for more than 1,000 of those positions.

I have all the assurance I need and all the assurance that is required to tell Ontarians that there are, since our government came to office, 1,000 annual opportunities for new grads to do front-line clinical care work that did not exist prior to our coming to office. I think that's a satisfactory circumstance for Ontarians.

There's further evidence that giving those new grads that opportunity is bridging them, giving them the opportunity to transition to full-time employment. I acknowledge candidly that we have more work to do to determine just how many have gone, and in what circumstance. That will be the next step as we seek to improve our capacity to collect good, quality nursing data.

Ms. Martel: Because you don't have that now, and we're hoping that is happening.

Hon. Mr. Smitherman: We have a lot more of it now than we did two years ago, but we have a lot more distance to travel on that.

Ms. Martel: But you don't have numbers now that would show, after a three- or a six-month temporary stint in a hospital, how many of those nurses are actually being hired. You don't have that.

Hon. Mr. Smitherman: But a moment ago you were arguing that we can't even prove that 1,000 spots are being used—

Ms. Martel: That's right.

Hon. Mr. Smitherman: And now you've reversed—

Ms. Martel: No, because your ministry has also told me I can't get—

Hon. Mr. Smitherman: Now you've reversed arguments.

Ms. Martel: No, that's not true. Your ministry has told me that you don't have the data to prove that there are 1,000 positions and 1,000 bodies in those positions. You have certainly said that the money has flowed, but to say that those positions have been created, that there is an actual nurse in that position, is false. Your ministry has told me you don't have that information and that I can't expect it until the end of October.

Hon. Mr. Smitherman: No. There's got to be some distance between your desire to have some audited confirmation of numbers and some common sense application for you to be able to use a word like "false." This is a stretch; this is a considerable stretch.

What I know for sure is that I've got 1,000 positions available this year for hospitals and long-term-care homes to be able to provide nursing assignments on a full-time basis for new grads that we didn't have when we came to office, and I have demands for more than 1,000. In a similar—

Ms. Martel: Let me just interrupt you there, because you say this is a stretch. Let me give you an example of why I raise this. In a separate FOI request—and you'll have these numbers in front of you in terms of how many new nursing positions have been created in hospitals over \$100 million and in hospitals under \$100 million—the ministry is using a figure of 1,202 full-time nursing positions in hospitals, verified through hospital nursing plans submitted to the ministry.

Three examples: In the information you gave me, you said that Bluewater Health has created 11 new full-time nursing positions—or Bluewater Health told you that. Central East: Lakeridge Health Corp. told the ministry that nine new positions were created. The third one I want to raise is the Sault Area Hospital, which said that 20 new positions were created.

At the same time as you were using those figures to show that some 1,200 positions have been created in hospitals over \$100 million and under \$100 million, we also know that at Lakeridge there has been an announcement of layoffs of 39 full-time RNs and 57 regular part-time RNs; that in the Sault Area Hospital there has been an announcement of a layoff of 25 full-time RNs and 10 regular part-time RNs; and that at Bluewater, you're looking at a layoff of 28 full-time nursing equivalents.

I raise it in this context: Your ministry provided me with information that I'm sure at the time was correct to show how many new nursing positions have been created. After that point in time, layoffs of RNs have been announced. Those are just three examples; I'm sure there are more.

How can you, in the face of my just raising those few examples, say with any kind of certainty that there are 1,202 new nurses working in full-time positions in these hospitals when we know in fact that layoffs of those same nurses are going on?

Hon. Mr. Smitherman: Now you're saying "going on," and the three times prior to that you said

"announced." Between those two things is the dilemma you've created for yourself, which is that in a certain sense you've now relied upon a press release to try and create, as real, a circumstance. You said "announced layoffs." Take a look at the history of the way hospitals communicate around nursing layoffs. Go and talk to ONA about this, or read this report out of Peterborough. It has Diane Crough of the Canadian Union of Public Employees. The headline says, "No Job Loss in Hospital Layoffs: Union Says Cuts Just a 'Make-Work Paper Project.'" This happens all the time, where a hospital, as a part of I think sometimes its desire to get some attention to its circumstances, projects a nursing layoff which may, or in many, many, cases does not, hold true. A moment ago you were asking me hard questions about verifiable information, and then you chose to work off a press release and the word "announced" to try and prove your point. I don't think it does.

Ms. Martel: Minister, if I might—

Hon. Mr. Smitherman: Sorry; I'm not done.

Ms. Martel: Let me give you this press release. This is what you said on January 17, 2005: "In addition to the estimated 1,145 administrative full-time equivalents, or FTEs, that will be eliminated, it is projected that up to 757 nursing FTEs will be eliminated, as well as 453 non-nurse clinical FTEs." That wasn't an ONA press release; that was your statement. You may look at ONA and try to say that maybe those numbers aren't true; that's what you've said about full-time nursing equivalents. How do you know that the layoff possibilities in Sault Ste. Marie and in Lakeridge that I just outlined are not part of the 757 nursing full-time equivalents that you announced were a potential to be lost?

Hon. Mr. Smitherman: The point is that you're now using the words "projected" and "possibility." The point of the matter is that we don't know. There are always going to be lags, of course. There are tens and tens of thousands of nurses who are employed across the breadth of the hospital sector. There are a number of hospitals in Ontario that are taking some effort to address their budgetary deficits. There are a variety of other hospitals in Ontario that are constantly increasing employment because their circumstances are better. The point is that none of us knows. We all know only at the point that our ability to extract better-quality information in a timely way is advanced.

What you've decided to do is to use press releases and words like "projected" and "possibility" to create a circumstance where, yes, I must acknowledge that across the Ontario health care system there are sometimes reductions in employment in hospitals, but this often happens while at the very same time employment is being increased in other places.

As the information becomes available, we can update the numbers we have, but it's appropriate to be able to build on the quality data that we have, and that's what backs up the numbers that we're offering today. Yes, it's an evolving situation; no one would disagree. When we get to come back for estimates next year, we'll have an

opportunity to have a discussion with a broader array of information to look at the pattern that actually transpired. But until then, I think it's very, very challenging to know.
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Ms. Martel: But that was the number that you used in January, and now we are in September.

Hon. Mr. Smitherman: I used the word "projected."

Ms. Martel: Can you tell us what the projected layoff is now across the hospital sector? You used that number with some confidence, I assume, in January. What would it be at this time?

Hon. Mr. Smitherman: I have no update on that number and I have come in contact with next to no information about numbers of nursing layoffs even approaching what was projected at that time. Furthermore, I've been working very closely with ONA, RNAO and RPNAO on programs that would make possible a bridging around nursing employment disruption. That's the kind of work that's ongoing, so I have nothing that can validate that 757 number, but I acknowledge it was one that's in the public domain.

It really does make the point that we want to have a discussion here in the absence of good-quality, hard data. I've said already twice or maybe three times that one of the greatest frustrations, and one of the things that Dr. Tepper is focusing on as he comes into his new role, is our capacity to be able to operate more strategically as a Ministry of Health based on access to more timely data. At the moment, all of this stuff flows through from a variety of reports and is very, very rarely available in a timely fashion, making it more difficult than any of us might prefer to access this information.

Again, it helps to make the point about the necessity of the Ontario Health Quality Council, because in Ontario today, on the nursing file, you do not have one-stop shopping in terms of where all the information is collected and verified. You have some with the college; you have some with RNAO based on surveying; you have surveying being done from the ministry. What we seek to create for the benefit of everybody, so there's much greater clarity around these questions, is getting all that information in one place and having it digestible and verifiable with some independence associated with it. This is what we're working toward.

Ms. Martel: Let me back up, because the announcement that you made was related to fiscal year 2004-05, not this fiscal year, the projection of the 757. So that was in a past period. I'd like to ask you again if the ministry has not, for a past period where you made an announcement of potential nursing losses, done any other work to determine exactly what the layoffs were for that past period.

Hon. Mr. Smitherman: I'll repeat what I said and then maybe the deputy can give you some better insight into the flow around information from hospitals and how timely or not that is. But the point I will make to you again is the point I made before: In the winter, we made an announcement which acknowledged that there was some work to be done in some hospital environments to

reduce workforce in the fashion of being able to get those hospitals in balance. Associated with that, there was a number put out there. As I've said to you already, I have no evidence—none has come forward to me, anecdotally or through summary in some other way—that indicates that that number proved to be a reliable number.

You're asking me, for the 2004-05 fiscal year, the fiscal year ending March 31, with projections of nursing layoffs of 757 associated with that, how many occurred, and I can tell you that I'm not aware of any.

Ms. Martel: I'm hoping that the deputy can provide us with some additional information.

Minister, you felt confident enough to make an announcement about those kinds of potential layoffs. I find it hard to imagine that nine months after, the ministry wouldn't have a clear indication now of what actually happened. Nobody else made this announcement; you did.

Hon. Mr. Smitherman: It makes a point that I made earlier rather well, which is that it has become a long-standing practice in Ontario for hospitals to exaggerate nursing layoffs with a view toward creating emotion and turmoil around that. I think that number may in fact reflect what was going on at that time, but perhaps the deputy could—

Ms. Martel: But if I might, Minister, it's not a number that was put out by the OHA; it was in a statement that you made. I was at the press conference here at Queen's Park the day you made it. So we're not talking about hysterics on the part of the OHA or ONA or anybody else floating a number out there. This was the number that you used in relationship to a process that occurred around December 24, where you told hospitals they could go ahead with their plans, which included these kinds of projected layoffs. If you went ahead and you publicly used this number, then you must have had some confidence about it. It wasn't anybody else who used that number. It was you.

Hon. Mr. Smitherman: I totally agree, but it was a number that came forward from Ontario hospitals, and there's a really, really, really well-established pattern where projected layoffs don't occur. Go back to that—

Ms. Martel: Wait a minute, Minister. It was a number based on the plans that they had submitted to hospitals about what they had to do to balance their budgets.

Hon. Mr. Smitherman: And as they move forward with their plans, as they are accountable and community-board-governed, some of it takes shape in the way they projected, and some not.

Go back to this press release coming out of Peterborough, with a voice from the Canadian Union of Public Employees. We have a circumstance in Ontario where if you move a nurse from one part of a hospital to another, to a different kind of assignment, that can be captured as a layoff. Those are some of the things that were rolled up in those numbers, based on information that hospitals were providing.

There's probably a lag time of about a year before one can know exactly what the implication was on the front

line in Ontario hospitals, but I can tell you pointedly that in terms of the projection, the number that was used, a projected number, I have not seen very much evidence that those have transpired. Some may yet transpire.

Maybe the deputy on process, if there's something helpful.

Mr. Sapsford: You're having a discussion about what, from my point of view, is a very, very difficult area to be precise about in terms of numbers, partly because when we talk about these issues, are we talking about positions or are we talking about bodies, and how do we measure these questions? Every time a question is asked about nursing staffing levels, they are asking the question from a slightly different level. Quite honestly, the ministry struggles to answer these kinds of questions with precision, partly because each part of the health care system currently gathers this information from a different base. Hospitals report these numbers one way; long-term-care homes report them a different way. Some parts of our health care system don't report them at all.

In the case of hospitals, we have extensive information about full-time equivalents, which is really based on the total number of hours, but that's problematic because it doesn't reflect accurately what might be going on with respect to overtime work or additional staff. So I think what the minister has tried to say and I would reinforce is that the ministry is looking at how we gather this kind of information consistently across the health care system so that the ministry is in a position to provide a better set of answers to these very difficult questions. Part of that is definitional, part of it is gathering the information through improvements to our information systems, and part of it is improving the timeliness of the data, because in some cases this information is only recorded yearly; in other cases, we have to do special surveys to collect it more frequently.

Ms. Martel: If I might, Deputy, the minister announced it in the context of 757 nursing full-time equivalents, which I assume would have come from information that was submitted by hospitals, that they submitted their projected layoffs in terms of full-time equivalents. It was other organizations, like RNAO, for example, who said that would mean more bodies because of casual and part-time work.

So if the ministry has some indication or some evidence—because the minister has said he hasn't heard that much in the way of layoffs. It would be helpful if you could give to the committee that information in the same way that it was phrased to the public, which was in terms of 757 full-time equivalents. What was the end result for the end of fiscal 2004-05?

Mr. Sapsford: I can't speak to that specifically in terms of the answer to that specific question. I can give you my sense of what would have happened in the circumstance. I can't speak to the 757 number specifically, but that would have been an estimate of positions or full-time equivalents, as you've suggested. Over the course of the operating year, hospitals would work to minimize that. So from that point of time, presumably

based on estimates of what hospitals would have to do, those plans would change. The difference between the numbers of positions and the numbers of actual people involved are two very different questions, with the ministry having ability to talk about equivalents and less ability to talk about people.

The Vice-Chair: Thank you, Deputy, and thank you, Ms. Martel.

The committee will stand recessed for half an hour. When we return, the minister will have one half-hour to reply and to make concluding comments.

The committee recessed from 1200 to 1234.

The Vice-Chair: The estimates committee will come to order and reconvene for the Ministry of Health. Minister, you have 30 minutes to respond to the opening statements of the opposition parties.

Hon. Mr. Smitherman: Mr. Chair, I always believe it's good training for when the House returns to spend more time on the cut and thrust. I believe that if I waive my time so that we are in rotation, we could just pick it up.

The Vice-Chair: Yes.

Hon. Mr. Smitherman: Then I think I'd like to waive my half hour and just proceed to the rotation.

The Vice-Chair: If I could ask Ms. Martel to take the chair, I'll take the opposition's 20-minute rotation.

The Acting Chair (Ms. Shelley Martel): Mr. O'Toole, you may begin.

Mr. John O'Toole (Durham): Thank you, Minister, for your presentation this morning. It's my privilege to represent the riding of Durham, and you mentioned on a couple of occasions some ongoing concerns that we have. I also appreciate the complex challenges, as described in the exchange between you and Ms. Martel this morning on the Ontario nursing association strategy on the 8,000 nursing positions, and how difficult it is to pin down the numbers.

But I do have a duty and a responsibility to represent the needs of the Lakeridge Health Corp., along with other hospitals in the province—its uniqueness as a multi-site facility that is also struggling with a redevelopment issue at the Oshawa site. You probably know that the annual general meeting of the Lakeridge Health board was held this past June, I believe, in Clarington, my community. At that meeting there were several key questions asked. I wasn't really part of the meeting, except that out of respect for the board and the work they do, I was in attendance. They made the points of a multi-site facility underfunded on a per capita basis because of the traditional funding under the global budget model, and the JPPC process of how they reinvent that basic model of funding for hospitals on a site or on a corporate basis.

We went through the consolidation of hospitals from what was, I think, five hospitals in Durham prior to the Health Services Restructuring Commission and the ultimate formation of Lakeridge Health Corp. The Port Perry hospital, which was in Scugog township, was a very efficiently run, very widely supported facility within the Scugog community. It had undergone an expansion in

the time of Frances Lankin and the NDP but really never received operational funding to get it up and going.

As a compliment to them, they were basically a model hospital. In fact, when Jim Wilson was the minister and also when I was parliamentary assistant in health, I worked with Dr. Ruth Wilson and we looked at the family health network and how it would fit at the Port Perry community facility. All the hospitals there work collaboratively already. The doctors work collaboratively with the pharmacist, and the lab work is right across the road. They do 24/7 coverage at the hospital. The hospital foundation is very progressive and able to raise some capital dollars when and where needed. It's really quite a unique site. It serves a rural practice. Dr. Bill Cahoon was chief of staff. I think John Stewart is the head of medical staff there now. He is very widely respected for his work on resistance to antibiotics. The ministry has funded some of those things. They're having a struggle with identity under the Lakeridge Health corporate model.

They do provide some unique services to the community. I know that you have or probably will meet with Mayor Marilyn Pearce, who has been spearheading a community drive to find in the governance model—much like Women's College Hospital—some unique and separate identity under the corporate organization. I don't know whether I'm describing all this correctly; I hope I am. But I would be supportive of that unique community, because it does serve a very broad catchment area: part of Brock township as well as perhaps Victoria county, or now the city of Kawartha Lakes. Its catchment area is separated geographically by what many people refer to locally as the Ridges. People essentially don't travel in a north-south direction; they tend to travel more east-west and a little bit north. So their hinterland and catchment area is somewhat different than is assumed by the model.

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But if you look at Lakeridge Health and Rouge Valley, the two systems service Durham. Then I look at the LHIN that's coming in, and it services Victoria-Haliburton and Peterborough. In some arguments, in some ministries, we're referred to as the GTA, and in other ministries, we're east-central, in community mental health and other kinds of funding. In the LHINs, we're funded as east-central. It is a problem for them and becoming much more problematic in the governance model.

Minister, are you prepared to meet with those supporters of the Port Perry community hospital and to find a resolution for their coexistence in Lakeridge or some other solution to their governance and funding issue? Ultimately, they see the level and number of services being reduced to support—the current deficit is in the \$20-million range for Lakeridge Health. That's problematic under Bill 8.

I've thrown a lot on the table, but I know you're well familiar with it, and I'd appreciate a concise response, if I could.

Hon. Mr. Smitherman: A concise response to a rambling question.

Mr. O'Toole: It's background, George.

Hon. Mr. Smitherman: Well, there's a lot there. Let me try and take a stab at it. Firstly, I think it's important to note that since our government has come to office, we've invested more than \$23 million in additional operating resources at Lakeridge Health. You did allude in your question to some of the challenges around capital. Going back to a report in 2002, your government initiated, and we've certainly followed suit, an initiative to address a lot of the concerns that were in place around that missing capital piece and the regional cancer centre at Lakeridge, which we've been very, very supportive of.

Firstly, to the issue of a meeting with the mayor of Port Perry: I've met with her and spoken with her on this subject many times. She's of course somebody that I know very well. I've actually been encouraging her to work with other municipal leaders, and I believe she's been in contact, therefore, with the mayor of Halton Hills and the mayor of Picton, with a view toward taking a look, because they, as communities served by the smaller hospital in a multi-site hospital configuration, have some of the same concerns.

I want to introduce a few words. I have already initiated a process with the JPPC. This is a body that shares a lot of responsibility for health services planning and funding between the ministry and representatives of the Ontario Hospital Association. I have put this multi-site funding issue on their agenda, and I've done that at the instigation of Mayor Pearce particularly.

What we need to get to is a point of defining core services. I think this is where the protection comes for communities as it relates to these multi-site hospitals. Part of the fear is that in an environment—I'm not one of those who believes that every change should be characterized as a cut. As an example, a decision to concentrate the provision of service at one hospital in a multi-site environment is not necessarily a bad thing, and very often, from a clinical standpoint, it's a good thing for health care. In an era when you want to use new technology—let's say you're doing cataract surgery at all the sites of Lakeridge and there's a new piece of technology which will enable an advance in that surgery. It's obviously not that sensible, if you're going to use the word "system," that every service would be delivered around the corner, because that's going to make it less likely that you can adapt technology. We also know that the clinical outcomes are proven to be better in places where they do more of the service. These things are compelling arguments in favour of some logical consolidation of service. The challenge, therefore, becomes for each hospital to have a celebrated mission, maybe not exactly the mission they've always had, but a celebrated mission nonetheless. I think that helping to define core services is part and parcel of that.

I would commit to the member that, yes, I'm very aware of this. I know there's a real angst there. I will very happily meet with the mayor, but I will continue to press the JPPC to pop up some resolution to this, because this is not a situation that is unique to the situation at Lakeridge.

Just one last point, if I could. In the LHIN context, I think one thing that is important to keep in mind is that we believe fundamentally that the best health care services should be available as close to home as possible, and we're building up our community-based services. But when you get into the provision of services like regional cancer services and cardiac—the higher-end stuff—there is always going to be some concentration of that service in a smaller number of places. People should look at the LHIN in that context. We need to have the capacity for closer-to-home, maybe what I would call district planning, while still recognizing that some services, higher-end services, are much more likely to be provided on a regional basis. But I'm happy to work with the member on trying to address that.

Mr. O'Toole: Yes, I appreciate that response, and I'll try to be a little bit more succinct. I respect the fact that you have a good background on the local area and how some of the multi-site—and constraints under necessary balanced budgets are going to have over the next while, as was alluded to by Ms. Martel in her remarks on the layoffs.

I do want to put on the record one outstanding question that has been on record with you: a letter from me to you on June 24, 2005, asking for a copy of the Davidson report. This is a media issue. It's a report on the capital program at Lakeridge that you alluded to in your answer. You and ministry officials have been cited in two recent articles in the paper. Some of the people behind this question being asked at the AGM are influential—I don't necessarily mean in a political sense; they are people who have great insights and have made community contributions.

I think it would be a good way of levelling the field and clarifying—even though that report was filed when Tony Clement was minister, I have not seen it. I know the report was done on the capital program at Lakeridge Health, Oshawa, and it was something to do with maybe spending money ahead of approvals. But I think that's behind us. I think it would clear the water for you; it may be helpful. I'm not trying to be disruptive here, I just think I owe it to my constituents to put classically on the record the request for the Davidson report. I'll probably be interviewed on that this afternoon—not to be smart, but I was called this morning on it. People in Ontario do watch these proceedings.

Hon. Mr. Smitherman: That's why I got my hair cut.

Mr. O'Toole: The second issue—quite a different issue—is long-term care. I think both governments probably wear some of the problem there. Because of the angst in capital projects and fundraising, as Ms. Witmer outlined this morning, work has been done and the community expectation level is way out of sync with actual ability to deliver on time, on budget. That's a whole different deal.

The second issue that I want to put on the record is the ongoing series of communications from me to your ministry starting in April, again in May, June, July and others, and I've had modest, if any, response. That's on

the Community Nursing Home in Port Perry, a facility that had their case mix index downgraded, resulting in some announced layoffs. Whether or not they've actually taken place, I can't comment on.

Ms. Martel was the first to raise this question in the Legislature with you some time in April. In fact, I at that time had met with the staff at the Community Nursing Home in Port Perry and it was brought to my attention. I had asked for a review of the case mix index, which results in increased or decreased flow of operating dollars. So can you respond to the letter from April 21, May 3 and July 26—and I'll make you a reference to the Ministry of Health log numbers: 20501048. I look forward to passing that on to persons that I represent in the riding of Durham.

Hon. Mr. Smitherman: Sure. I'll be as succinct as I can on this. Two points: Firstly, I noticed towards the end of your very nice question about Lakeridge Health that you sought to try and assess—you said, "This is something that I think both governments have some responsibility around." I just want to say, in acknowledging our willingness to release the Janet Davidson report and in keeping with my desire this morning for appropriate accountability, I'm not at the point where I'm fessing up to challenges that were created in the run-up to the work on this report in 2002. But I will acknowledge—

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Mr. O'Toole: To balance it, I just want to put on the record—I do acknowledge that—that I pointed out to Minister Caplan this morning that it was his mother who made the first announcement at Lakeridge Health in 1989, when I was a regional councillor. All governments of all stripes, including Ms. Lankin, when she was minister—I sat on the same stage when the other announcement was made. So I'm happy to be here and share this with you and all of the other persons of all parties.

Hon. Mr. Smitherman: I'm looking forward to those days coming pretty early in 2006 and mid-2006 when the emergency, surgery and critical care expansions will be complete and when the regional cancer centre is complete. So I can say to the honourable member, I have no apprehension whatsoever in releasing that report. If that's helpful to the local community, we will very happily do that.

I want to just say a word of apology. We have a lot of work to do to do a better job of responding to correspondence. It does have a bit to do with volume. Health questions sometimes are more complex. This is an explanation, but not an excuse. If you are in a circumstance where you're awaiting a response to a letter, I just encourage you to call my caucus liaison guy, Scott Lovell, and we'll make sure we do that for you.

The case mix index is a pretty important aspect of the way our long-term-care-home system works, because not all residents in long-term care—approximately 75,000 of them—have the same level of acuity. What we want to do—and you would know this stuff very well, from your time at the ministry—is keep an incentive in the system that appropriately acknowledges that if you are caring for

people with a higher acuity and therefore more need, there's more funding made available; in other words, that we've got targeted funding which reflects the state of acuity of patients. This has been developed with the long-term sector over a period of time. That's the case in Port Perry. If Port Perry changes its case mix index over a period of time so that they're caring for people who have a lower acuity, as in the case, then they are going to have fewer resources to be able to address that. But they would still have been the beneficiaries of investments that came across the breadth of the long-term-care sector, which, as I understand in the Port Perry instance, did help to mitigate somewhat against risks related to layoffs. We'll be happy to get you that report.

Mrs. Witmer: One question: This morning you talked about LHIN legislation being introduced. Do you guarantee that the enabling legislation for the LHINs will indeed be introduced during the fall session of 2005?

Hon. Mr. Smitherman: Yes.

Mrs. Witmer: Is it your plan that it would be passed before the House adjourns at the end of 2005?

Hon. Mr. Smitherman: I think it's dangerous territory to presume how a Legislature will deal with a piece of legislation, but it will come forward as a piece of legislation that enjoys a strong degree of commitment from my government.

Mrs. Witmer: I guess I'm wondering; all of the LHIN deadlines have not been met up until this time. You are absolutely guaranteeing that the legislation will be introduced and, if at all possible, passed? Is that what I hear you saying?

Hon. Mr. Smitherman: I hear you paraphrasing. I'm very happy to repeat the answers I gave, which when you read them back, will be very clear. We're going to introduce the piece of legislation. I recommend it to members of the Legislature. Of course, it's a significant piece of legislation and appropriately will have to have some debate, but our government will make it a priority to pass it. On the issue of—well, I'll leave the other matter for perhaps a later question.

Mrs. Witmer: Given that there is no legislation at the present time, could you tell us what the LHIN staff are currently doing?

Hon. Mr. Smitherman: The LHIN staff at the moment are limited to chief executive officers. They, along with board members—the first three have been appointed—have been doing what I think is the most essential piece of business for local health integration networks: beginning to create the dynamic for a new conversation about the way we make decisions around planning, funding and integration of health care services in Ontario. They're out there building relationships at the community level which we believe are going to pay dividends as we move forward. Offices are in the midst of being opened and more recruiting is ongoing for positions. The rollout continues apace. I would have to say that based on the feedback I get from providers, who say, "Thank you very much, once and for all, in our province for providing us with a vehicle whereby health providers

all operating in the same geographic area are actually not just incented, but encouraged to come together and look for opportunities to better work together," that we are on to something in terms of creating a new culture and a much better dynamic for the coordination of health care, all of this with the patient at the centre of that planning.

The Vice-Chair: Thank you very much, Minister. The Chair recognizes Ms. Martel.

Ms. Martel: I actually want to go back to some nursing numbers, but I do want to follow up on the Port Perry issue, because it's a concern for me now not just in Port Perry but in two other homes with a similar circumstance. The issue in Port Perry was that the CMI decreased, but at the same time as that happened, the home got more money. My understanding is that as part of the service agreement with every home that received additional funding last year, the agreement was that you had to hire staff, not fire staff. There is no change in the resident population. There is a change in the CMI, but the service agreement doesn't make any reference to a change in the CMI. So the service agreement that currently is in place would say that as a result of getting new funding from the government to add to base, this home should be hiring, not firing, staff. That is an issue not just in Port Perry but in two other homes now as well where owner reps have brought that to our attention.

Hon. Mr. Smitherman: Pardon me for saying it so bluntly: It's pretty easy to muddle that up the way you have, but it's also pretty easy to understand how these are two separate things.

All homes across the province of Ontario received additional funding. We are on track to create more than 2,000 additional work places, full-time equivalents, in those organizations, including at least 600 nurses. Port Perry and every other home is part and parcel of that, has associated with it additional funding.

At the same time, Port Perry and some other homes, as is the case on a case-by-case basis, have had a reduction in their CMI that has another number, an offset. These two taken together mean that the additional resources we were putting in across the breadth of the long-term-care sector have resulted in mitigation; in other words, reducing the number of people who would have been lost in that home simply on the basis of the calculation of CMI.

Ms. Martel: But the service agreement makes no reference to CMI, as I understand it, no reference at all in terms of what the obligation is with respect to the home as the new money flows in. The obligation on the home as the new money flows in as per the service agreement is to increase staff.

Hon. Mr. Smitherman: That's nice, but it doesn't negate the fact that there's also an application of a formula called CMI which takes place. These two things taken together create a net result, and the net result is that there were fewer people reduced in the Port Perry home because of the CMI as a result of the fact that we were at the same time putting in additional resources. These two things net out, and it's not so hard to understand how.

Ms. Martel: So it would be your view that the home is not in violation of the service agreement when it has layoffs?

Hon. Mr. Smitherman: Yes, of course. The home has layoffs as a result of a reduction in their CMI. Those layoffs were reduced because we were making investments in the long-term-care home at that point, so our investment mitigated the full impact from the CMI reduction. But no, I wouldn't think they were in violation. It would seem quite logical to me how that would transpire.

Ms. Martel: And that would be the case both with respect to Port Perry and any other home where staff are being laid off, even with a new investment, because of a reduction in CMI? You would argue that in those cases the service agreement is not being violated?

Hon. Mr. Smitherman: There are 600 long-term-care homes in the province. The Port Perry one, as it's a matter that you've brought forward before in the Legislature, is one where I enjoy a bit more knowledge and I know that the investment that we made mitigated the overall layoff.

I'm not too keen to answer a question without detail, but if you want to bring the instances of those other ones forward, I'm happy to go back and take a look at them so that I can give myself the assurance that nothing there is inconsistent with my explanation as relates to Port Perry.

Ms. Martel: I think the difference is in our understanding of what the service agreement says. In the two other cases, it would be the same scenario, as I understand it, with no change in the resident population, but a change in acuity, a decrease. So at the same time as new money is coming in for nursing services and other health care services, the home is still laying off people because of the change in acuity. But the service agreement is very clear. The owner-operator signed on to get new money on the basis that they would hire new people, not have layoffs.

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Hon. Mr. Smitherman: Firstly, you've said twice, or perhaps three times, that the population was the same. You may be talking about the quantity, but I think one should be very, very careful not to lead people to think that over the course of a year there aren't changes in the population within a long-term-care home. Of course there are, and that's why we calculate a CMI. It has with it a certain expectation that if you're dealing with a higher acuity of patients, we would provide a higher degree of resource. If your CMI changes, there will be an impact from that. If you wish to separate these two things out, then what you're really asking for is that we should have applied the CMI, we should have forced these long-term-care homes to apply the CMI, to actually operate in a silo, and exit a proportionate number of people from providing care there, and then the next day open up another file-folder silo and do the hiring. The net effect is the same, but the manner in which we have worked with long-term-care homes is more beneficial because it provided greater continuity of employment and therefore greater continuity of care for residents. But it nets out as exactly the same.

I'm not sure what further I can do to explain this, but if the deputy can assist you with your understanding further—

Ms. Martel: If I might respond: On the contrary, Minister, if you wanted to have homes take acuity into account, then the ministry should have put that into the service agreement. If you had a concern that the possibility existed that despite getting new investment, which all homes did, some homes would still find themselves in the position of actually laying off staff because of a decrease in acuity, then your service agreement should have reflected that possibility, and it doesn't.

Hon. Mr. Smitherman: The possibility of adjustments as a result of the CMI is nothing new. It's ongoing and well understood. That we made additional resource available to each and every long-term-care home is very much a separate issue. They net out the same. But I think you've locked into some kind of a siloed analysis of this circumstance.

Ms. Martel: No, I don't think so. I see it very clearly. The service agreement, as it stands with every home, says that as a result of getting new money, the obligation on the operator is to hire new staff. I assume that part of the criteria also is that if they don't hire new staff, they get the money clawed back.

Hon. Mr. Smitherman: The home in Port Perry can therefore, accordingly, in keeping with the service agreement, demonstrate what the implication has been on staffing as a result of our new investment in the service agreement. All I seek to do, for the purposes of operating a system in a common sense way, is that instead of operating these two things as two separate mathematical calculations, with an impact on individuals, on employees, they blend these things together. But it doesn't separate out, it doesn't change the net result, and it certainly doesn't allow a home like the one in Port Perry to escape the accountability associated with the additional investment that was made possible by our government. Port Perry is in a position to be able to demonstrate that.

Ms. Martel: But in terms of accountability, if your reference point is, what does the service agreement say and is the owner-operator living up to the terms and conditions of the service agreement, under your definition of accountability, you'd have to say that they're in violation. They got money, and they ended up laying off staff. If you had wanted to take into account the possibility that the CMI might affect new staff coming in, that should have been written into the service agreement as a potential, for those homes whose CMI declined or decreased, even if they got new funding, might find themselves in the unenviable position of still having to lay off staff as a consequence.

Hon. Mr. Smitherman: It should come, and I think would come to those who are operating within the long-term-care sector, as no surprise whatsoever that we didn't make some announcement that we were abandoning CMI, that we were removing the incentive to acknowledge that where people have a higher acuity, we make more resources available; that's not what we did. If you

want us to amend a service agreement so that there is an asterisk that acknowledges that the application of CMI is still part and parcel of the way we're funding long-term-care homes, we're happy to look at language to do that. But I haven't met anybody in the sector who has been confronted with the same level of confusion on this point that you seem to be experiencing. They net out the same.

Ms. Martel: That's interesting, because I understand the ONA is taking this to arbitration. So it's not just me who has some concerns. They're taking it to arbitration on the basis of whether or not this service agreement has been violated.

Hon. Mr. Smitherman: Well, we'll look forward to those results.

Ms. Martel: We will.

Let me go back to some questions on new-graduate nursing money. I'd like to find out the amount of money that has been allocated for this initiative, because I've got a couple of press releases and I'm not clear on the distinction between the two: a June 3, 2004, press release that said the government was investing \$50 million to create new full-time opportunities for new nursing graduates in hospitals and support experienced nurses to mentor them for up to a year, and a second release, dated December 8, 2004, that again referenced the nursing strategy but said \$17.7 million for new-graduate nursing positions in hospitals or long-term-care homes and \$1.4 million to create mentoring relationships. Can I get some clarification on how much was actually set aside for this initiative in fiscal 2004-05?

Hon. Mr. Smitherman: Sure. I think the deputy has those numbers.

Mr. Sapsford: For the new-graduate strategy, \$30 million in 2004-05, and \$10 million in 2005-06; for the late-career initiative for nurses, \$5 million in 2004-05, and \$25 million in 2005-06.

Ms. Martel: So the new-graduate strategy was given \$30 million in 2004-05, and this year you're targeting \$10 million?

Mr. Sapsford: Correct.

Ms. Martel: The late-career nursing initiative was given \$5 million in 2004-05; is that correct?

Mr. Sapsford: Late-career, \$5 million.

Ms. Martel: In 2004-05?

Mr. Sapsford: Yes.

Ms. Martel: And the projection for 2005-06?

Mr. Sapsford: Twenty-five million dollars.

Ms. Martel: Of the \$30 million that was set aside, was it all allocated?

Mr. Sapsford: Yes, it would have been allocated.

Ms. Martel: And it is those numbers that we are waiting for, which we are to receive by the end of October, to determine how that money was spent?

Mr. Sapsford: Yes, I think the end of the second quarter was the time frame.

Ms. Martel: OK. In terms of the late-career funding that was also allocated in 2004-05, was all of that allocated as well?

Mr. Sapsford: I believe yes.

Ms. Martel: What is your mechanism for verification through the hospital sector for both of those? Is there a sign-off by ONA staff? How are you verifying those numbers and how the money was used?

Mr. Sapsford: Usually, when the money is allocated and the cash is flowed to the hospital, there is a requirement for reporting back to ensure that it was allocated or used for that purpose in the institution, so we would be expecting some kind of return information.

Ms. Martel: Are you expecting that not only for the new-graduate money but for the other money with respect to career nurses or preceptorships, mentorships etc.?

Mr. Sapsford: Yes. That's the usual process for these kinds of allocations.

Ms. Martel: OK. Do you intend to make that information public, in terms of what institutions benefited and by how much? Is that something the ministry has dealt with?

Mr. Sapsford: There's no reason it couldn't.

Ms. Martel: OK. I'd like to ask about the CCAC positions that the ministry has given me. Again, these are new nursing positions. After August 19, I received a letter from the ministry with respect to how many new nurses have been hired in the community sector. I was looking specifically for CCACs, and the information I received was 485 full-time equivalents as of January 31, 2005. What I'd like to be very clear about is that these are new positions in addition to the positions that were already there; it is not a reflection of nurses being hired by one agency as a result of another agency losing a competition.

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Hon. Mr. Smitherman: It's a net-new snapshot in time versus a snapshot in time. It's a surveying methodology, but it's a net-new snapshot in time versus a snapshot in time. It's one of those areas where we anticipate ongoing progress, because we've made many investments subsequent to that number and also anticipate making additional investments in home care. This is obviously one of those areas where the community sector is increasingly a source of employment for nurses.

Ms. Martel: I have asked for a breakdown, not just by CCACs, which have been provided to me, but a breakdown of the provider agencies that receive the funding. I've been told that the ministry's accountability agreement is with the CCACs. I'm not asking for the financial details of the contract. I'd be interested in what agency was doing the hiring and how many positions were hired per agency. To date, I've been told that because the accountability agreement exists only with the CCACs, that's not information that is available.

Hon. Mr. Smitherman: The CCACs are the ones that are responsible for contracting service providers locally and therefore are the ones who are responsible for the management of those relationships. So we get aggregated data.

Ms. Martel: How do you verify the hiring that went on, then?

Hon. Mr. Smitherman: The CCACs verify the data about the hiring that went on. I think that it's part and parcel of the new measure of accountability that we've introduced.

In many of these instances, of course, we have bodies, like CCACs, that are responsible for managing significant relationships with health care providers and, accordingly, are expected to submit data to us. This is the responsibility of CCACs, and we have confidence in them to do this job well.

Ms. Martel: If there's no financial information being requested in terms of the contract itself, what is the harm in making public the agencies that actually benefited and how many nurses were hired? What's the dilemma there?

Hon. Mr. Smitherman: I'm not sure that any of us said there was harm or a dilemma. You've raised something that we're happy to take a look at. All the implications of it may not be known to us, but it's something that we can take a look at.

Part of the challenge in this health care bid is, how much data are you going to ask for and who's going to get a chance to assess it? In Ontario today, there are thousands and thousands of data points where people, front-line health care providers, are spending time away from patient care to provide data samples to a variety of different people who ask for it, and a lot of it goes unanalyzed and unutilized. We have a whole strategy on information management that is being run by Steini Brown that is designed, frankly, to free front-line health care providers from spending all their time filling out paperwork.

We just want to be cautious to make sure that we're asking for the right data. You could spend all your time at the Ministry of Health sending circulars and directives out to every front-line health care provider with this question or that. What we seek to do is to take a good look at it and make sure that the stuff we desperately need is what we're asking for and that we stop asking for stuff that we're not using. As part and parcel of that process, we'll put the question you asked into the context and we'll see what we can come up with.

Ms. Martel: I don't think that would result in new or additional tasks.

Hon. Mr. Smitherman: Sure, it will.

Ms. Martel: It's information that would have to be already provided by the service provider to the CCAC. They would have to do that as part of their relationship with the CCAC.

Hon. Mr. Smitherman: You can pretend that there's no work associated with asking a CCAC to flow one more set of information or, perhaps by the time your questioning is done, 10 or 15 more sets of information to the ministry, but there is. It's not to say that it's work that we shouldn't undertake. All I'm saying is that, sensibly, what we seek to do is ask for what need and not ask for what we don't need. Right now we're asking for a lot of what we don't use. We're happy to ask for additional information if we need it. I've already acknowledged that on data, as related to nursing, we don't have it all. I'm

not saying that we shouldn't do it or that we won't; I'm merely suggesting to you that we have someone in the ministry, Steini Brown, a brilliant guy by all accounts, who is charged with the responsibility, working with Hugh MacLeod, our associate deputy minister at the health results team, to simplify our data collection points. We will review this in that context. That's all I'm saying.

Ms. Martel: It's never been presented to me as an issue around a problem with data collection; it's more one of confidentiality or that, because the ministry does not hold the direct accountability of being the provider, it can't be provided in that context.

Hon. Mr. Smitherman: We're going to take a look at it, though.

Ms. Martel: OK. Let me ask some questions now about the new nurses for long-term-care facilities.

Hon. Mr. Smitherman: We say "homes."

Ms. Martel: I got a letter from the ministry at about 7:25 last night. So thank you for—

The Acting Chair (Mr. John Milloy): Ms. Martel, you have about 45 seconds left.

Ms. Martel: I want to wait, then, because I have a series of questions around this issue.

The Acting Chair: OK. Thank you. So the government—

Hon. Mr. Smitherman: Excuse me, Mr. Chair. Can I beg a minute and a half's indulgence of the committee?

The Acting Chair: I think that's agreed. The committee is in recess until the minister returns in about two minutes.

The committee recessed from 1315 to 1317.

The Acting Chair: We'll call the committee back to order. It's now the government's round.

Ms. Di Cocco: I have to say at the outset that when Minister Smitherman was speaking with a previous minister and Ms. Martel and they were talking about CMI over and over, I had to find out what the terminology actually was. Sometimes we use acronyms that are sort of in the language, but I didn't understand the language, so I had to find out what it was. Now I know.

First of all, I have to say that the ongoing complexities of managing this health care are numerous and constant, and they always provide challenges. I had the privilege of spending four days with about 30 American legislators. It was a retreat doing some training. From that experience and talking to the American legislators, I probably now appreciate our system a hundredfold more than before I went because of the challenges, certainly, that they were facing in a societal way in a more profound sense. So I have to say that as much as our system isn't perfect, I truly, truly appreciated it more and more each day that I spent with my American counterparts.

The question that I'd like to focus on is this ongoing, constant improvement of our system and equality of access, but also quality health care. I want to home in on something that was in the Romanow report regarding primary care.

One of the most exciting things I can speak to in my own riding is this notion of having, for the first time, a

satellite community health centre. A number of my constituents have no idea what this means, because we've never had a multi-disciplinary model of this type. I certainly didn't quite understand it, so I spent some time at the Forest community health centre, which is the main one, and saw how valuable this multi-disciplinary model really is and how it actually works.

In my opinion, if we are doing anything that is going to profoundly change this first access that we have in Ontario to physicians and to our family doctors, it's this multi-disciplinary model. I would like to ask you, Minister, if you can maybe expand on what you are doing in primary care in this province. I know the excitement of it happening in my area is palpable, because this is one of the most positive things we've seen in a very long time.

Hon. Mr. Smitherman: I think any one of us who has had the privilege of experiencing the community health centre model, especially if you're an MPP with the privilege of having them in your community—and I'm one of those. I often say that I learned more lessons at the Regent Park Community Health Centre than anywhere else. This is an investment of government resources that has leveraged the community to the point where we've got this beautiful initiative called Pathways to Education, which will soon be taking the country by storm, and it started at a community health centre, where you've got community governance involved.

We're working on a pretty simple premise here: If you chart it, if you look at those countries that have the best-evolved models of primary care, that is to say, models of the most basic kind of care closer to home, the bigger your investments there, the less money needs to be invested in the acute care sector, which is sometimes referred to as the sick-care system. In large measure, what we're seeking to do is transform the way we deliver health care by pushing more resource down to the community level, or pushing it upstream. Why do community health centres work? They work because they're community-based, which means they target services to people who really need the help. This is their special model. It would be beautiful to put one on every corner, but the intensive resource required makes that less possible. Our family health teams bear a lot of resemblance to community health centres.

In Ontario, our starting point was 54 community health centres. Last year, we were able to announce 10 new satellites. This fiscal year, we are announcing seven additional full community health centres and five more satellites, with more forthcoming in the balance of our term. Last year, we increased their funding by \$21 million. This gave community health centres the opportunity to expand coverage to about 70,000 people. These are often people in our society who have the greatest need for health care, who have barriers related to their immigration status and their health status, with underlying rates of poverty or what have you.

I think it's appropriate to acknowledge that the NDP government made a very big commitment to community health centres. Over the period of eight years under the

Conservative government, they continued to enjoy support but saw, until the very end, almost no increase in that support. We've gotten behind the community health centre model in a big way because it represents a big opportunity to address concentrated and underlying health needs for some of those Ontarians whose health circumstances are the most precarious or challenging, and I'm glad your community of Sarnia is one of those that we're in the midst of expanding some service to.

I think community health centres really are one of the most appropriate symbols of our government's commitment to expanding community-based care, and therefore working harder to keep people healthy in the first place, all of this with a view toward trying to take some of the pressure off our acute care hospitals, which don't need any more patients getting sick and which, frankly, have been spending quite a bit of their time and energy providing care for people that is more appropriately provided in the community setting.

The Vice-Chair: The Chair recognizes Mr. Qaadri.

Mr. Shafiq Qaadri (Etobicoke North): Minister, as you're aware, Ontario and probably most of the Western world are undergoing what's known as a demographic shift or the greying of the country. If current trend lines and trajectories continue, as they often do, it seems more and more Ontarians will be accessing and requiring home care.

Something that I'm familiar with in a medical context is that unfortunately there is a certain cohort of patients who are receiving inappropriate home care, perhaps inappropriate treatment, perhaps in an inappropriate setting. Of course, that has not only some administrative challenges—considering, for example, efficiency, a waste of taxpayers' hard-earned dollars—but also, from a medical context, suboptimal outcomes. Would you be able to elucidate for this committee what steps your ministry has been taking over the past couple of years to ensure that Ontarians receive best practices regarding home care?

Hon. Mr. Smitherman: It's a great question in the sense that it ties in well to the question that was asked prior. It's another element of a community-based investment.

Credit where credit is due. First is that we need to acknowledge that every dollar we're spending on enhancements to home care is a dollar of additional resource that's been made available by the federal government. That goes back to agreements that predate our coming to life as a government and that were signed by, I assume, then-Premier Harris probably in some cases and Premier Eves in others with Prime Minister Chrétien.

What we've been able to do as a result of these investments is enhance the amount of resource every year that's available for home care. Our investment this year has created the capacity for about 45,000 additional people to receive care in the most appropriate setting. I think that's really what you're getting at.

You represent Etobicoke North. I'm an Etobicoke kid. I was having a conversation with someone the other day.

When I needed my wisdom teeth out 25 years ago, I got my wisdom teeth taken out at Etobicoke General Hospital. We're not doing that so much in hospitals any more. This is an example of the kind of appropriate evolution that is occurring. Home care very often augments that or at least shortens the amount of time that anyone would have to spend in a hospital.

On the issue of the consistency or appropriateness of care, one of the realities we face in Ontario—and there's a bit of a theme—is that health care services have not evolved equally, I'm saddened to say. I view equity as a pretty essential principle of a public health care system. We're doing a lot of work, and we've received some tremendously powerful recommendations from the work of Elinor Caplan, herself a former Minister of Health who's been referenced here today, to try and create the capacity where our home care is delivered based more on better research and delivered in a fashion which is designed to create more continuity of care for workers and patients.

We're doing quite a good job. If you look across the breadth of the country, people would look at Ontario's record on home care—and I acknowledge that this is something that's been evolving over a period of time, where we're doing a pretty decent job. Now what we seek to do as we continue to make bigger investments there is to make sure that we're doing an equitable job and one where we've got a greater assurance that services are being provided equally across Ontario—which is not easy given the very diverse nature of Ontario and its vastness—and, at the same time, that we are paying appropriate attention to researching and disseminating those best practices so as to be able to live up to those assurances. But the bottom line is that our health care agenda is very much, as I've said quite a few times today, based on the idea that the best health care is delivered closer to home, and ideally at home, if possible.

I would just say one other thing that isn't exactly related to your question but I think would be of interest to the committee. It is that there is a broader array of services that need to be delivered at home that have, over a period of time, diminished somewhat as we focused more of our resource on post-acute care. Those are services related to what I might call "aging in place," or the ongoing need that some of our older citizens are going to require to be able to stay in their homes.

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I'm pleased to say that our ministry has also worked to prioritize and therefore allocate resources from within our budget to continue each year to expand services like Meals on Wheels, drives to appointments, other kinds of fairly easy to provide but also easily overlooked services that agreements with the federal government did not cover. We've been working to expand those, and those are volunteer-based, and such an essential element of keeping people at home for as long as possible, or ideally to the end of their lives, if that's their choice. On that point, as it relates to end of life, as that is also an area of home care that's expanding, you'll see forthcoming

announcements quite soon from our government that for a lot of people will be a very logical step in the provision of care.

Mr. John Milloy (Kitchener Centre): Thank you, Minister. I'm going to get parochial just for a second because my health care knowledge and experience come from what I'm seeing in my community, where I think there are a lot of good things going on, and there's a lot of need, as there is in every community. We spoke this morning a little bit about the hospital situation in my area, obviously a lot of need: two projects, one at Grand River and one at Cambridge. I think a lot of people were very excited about the Grand River announcement that was made several weeks ago.

I appreciate that you've been put in a very tough position, having to decide between the list of projects on your desk. Although you weren't able to go ahead with Cambridge, I really appreciated your answer this morning, going into how you plan to work with the hospital moving forward.

I guess my simple question is just to ask you to expand on some of the things you said this morning. How did you find yourself in a position where you have so many of these projects on your desk and having to make the difficult choices to move forward?

Hon. Mr. Smitherman: I understand that when you're angry or frustrated, it's sometimes harder to hear all the messages. I've really sought, in my conversations with the mayor, the board chair, the CEO and also with the regional chair, to make sure that people understood very, very clearly that the Cambridge project is a good project. It's one that we agree needs to move forward, and we're disheartened that we're not in a position to do it right now. We should be careful not to throw our commitment to Cambridge too much into question, because we really believe in this hospital. We've noticed how hard they've worked to become a high-quality, well-run organization, and there have been difficult steps taken there. We've invested more than \$10 million as a government in Cambridge, and I've mentioned already the new CT scanner that we've put there. I think that's an example of our commitment.

The challenges we face in Ontario are challenges long in the making, and these are three or four things that I think have contributed to why we're in a situation where we can't get as much done as we'd like, and for a lot of people, even if we're going to get it done, we're not getting it done anywhere as quickly as they'd like. Even in the case of Grand River, let's be forthright in saying that they're happy their project is going to go forward. They wish it was happening today, and it's not; it's going to be a little bit yet.

We've spoken at length about the Health Services Restructuring Commission. I don't wish to revisit it for too long, but a couple of things happened there. Firstly, they rolled around in a bunch of towns and places in Ontario and they came up with a lot of plans, and a lot of those plans had at the heart of them significant new capital investment. The projections they had around

capital investment have tended to be—I might get this slightly wrong, but I'm going to call it 30 cents on the dollar. If you look at the press releases around first announcements of hospitals, and then, four, five or six years later, tie that in to what actually happened—and I'm not just talking about Thunder Bay, where there were a whole bunch of other things at play—a lot of these numbers were just missed in the first place.

We have an infrastructure of hospitals in Ontario that is quite old—the average age I think is more than 40 years—and we have a growing province. It's a province that's growing in Kitchener-Waterloo, growing in Toronto, growing in the GTA; it's growing in almost every region of the province. This creates a bit of what I might call a tsunami effect of expectation. I don't want to belabour a point because it's a partisan point, but in the run-up to the last election there was quite an effort on the part of the Conservatives to announce a lot of projects for which—let's be frank—in retrospect, when we look at the circumstances the Provincial Auditor has uncovered, there were just no resources to reasonably expect that those projects could go forward. That's why I said that earlier this year, on January 24, in Cornwall, John Tory said, "No government should say the cheque is in anyone's back pocket. That shouldn't be the sort of thing any government member goes around saying before an election." That isn't the only time this has been commented on.

I just think in an environment where the Ontario Hospital Association has indicated that that list looks something like \$8-billion long, by their number at least, it doesn't take a rocket scientist—and I don't claim to be one—to figure out that there are going to be some challenges for our province to be able to build all of that infrastructure, especially recognizing that the capital is one-time. In almost every instance, these new capital constructions beget a higher operating cost, and that too is a challenge for any government that is operating within real fiscal constraints. I hope that's helpful.

We continue to work, and I send this message to the people of Cambridge as often as I can, that it is not a matter of "if only" when related to their hospital. We know there are some challenges they're facing there. We've been very clear that any time the hospital or the mayor need to meet with me, I'll be available to meet with them as we seek some resolution to this, which acknowledges that this is a community with currently unmet needs.

The Vice-Chair: It's time now for the opposition party.

Mrs. Witmer: I think I'll just continue with the LHINs for a minute. As it stands right now, there is still a great deal of angst simply because there is no legislation and there has been little information communicated as to the roles and responsibilities and the actual plan for LHINs. In fact, one might ask, is their mandate going to be to coordinate health activities—for example, hospitals, CCACs, cancer care, cardiac care—or are they going to be in a position to actually issue directives to hospitals to

cut services or amalgamate services with another hospital? I'd just like to hear from you what the actual plan for the LHINs is going to be and what type of power they will have. Are they also going to be making the allocations to each of the health agencies and service providers in their area?

Hon. Mr. Smitherman: I find it interesting that the honourable member would say that there's angst. Perhaps it's on her part, because she didn't offer up where that angst was coming from, so maybe in her supplementary she could tell me a bit more about that.

I met a lot of health care providers who I would say are on the bandwagon and are enthusiastic about the idea that, for once in Ontario, we might have a mechanism to plan for the integration and coordination of services and have responsibility for funding under one roof. You choose to label that as something different, but it's interesting that past colleagues, who shared the role that you did in the same government as you, have acknowledged that Ontario has been behind the curve in terms of creating some semblance of health care organization that has some boundaries within which health care providers can be expected to come together.

I will argue strenuously that your point on little communication misses the mark entirely. Astonishingly, last year we had 4,400 different health care providers involved in helping to lead our work with respect to local health integration networks. In the last month or two alone, 1,500 health care providers have come together with the leadership of local health integration networks as we seek to build more of a system together.

To your specific points about what will be in the legislation, I'm not here today to speculate about that. I've clearly outlined what the overall initiative will be with respect to local health integration networks. It answers many of the questions you've asked. As we bring our legislation forward to the House before Christmas, as I answered to the honourable member earlier, one should fully anticipate that this is a model that is designed to take significant power that currently resides in that office, which three of us here have had the privilege of serving in, or from, and push that down to the community level, based on a pretty simple premise: that in an environment where resources will always be more scarce than any of us would prefer, people closer to the action, from the local community, be given the power and responsibility for making decisions about a health care system that is, after all, ours—all of ours. I think that's why it is so important to move forward, on this basis, with a made-in-Ontario model that keeps that principle of community-based governance alive.

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Mrs. Witmer: Since you didn't answer the question as to the plan or the roles or responsibilities, or whether or not they're going to coordinate or dictate activities, I would ask you, what are their budgets going to be?

Hon. Mr. Smitherman: Their budgets will consist of flow-through. Again, this is a transition of power: power that's currently exercised at the ministry level being

exercised at the community level. We've been clear in saying that that responsibility, at least on a preliminary basis, will be related to several functional areas: long-term care, community care access centres, hospitals and community-based organizations providing mental health and addiction treatment. The powers and responsibilities will be substantial. We're very proud to be a government that is prepared to push these responsibilities down to the community level and engage in a new kind of conversation.

You choose to continue to characterize everything in the old conversation—the one that you're used to—with a word like “dictate.” We're operating on the view that this is our health care system, that it belongs to 12 million Ontarians and that each of them, frankly, has an obligation and an opportunity to be more aware and involved. That's why we're also creating an Ontario Health Quality Council, which can help people make the health care discussion more accessible to them. Having the opportunity for the health care discussion to go on in a local community rather than in a corner office at 80 Grosvenor Street, I think, is a tremendously important advance.

Sometimes I get frustrated, because we operate in an environment in health care where a change is easily conveyed as a cut. This is the language of some stakeholders, and it's designed to send fear through the hearts of Ontarians. But I think—

Mr. Wilson: You say things like that every day.

Hon. Mr. Smitherman: Is this in order, Mr. Chair?

Mr. Wilson: Every day you say that.

The Vice-Chair: One person at a time.

Hon. Mr. Smitherman: Do you want some evidence of how you cut health care? I had a question earlier about Lakeridge hospital. I told how we had increased their funding by \$24 million. Between 1995-96 and 1997-98—I think you were in there somewhere, weren't you?—Lakeridge had its base budget cut by 9.2%, \$13 million. You did cut, sir.

Mrs. Witmer: We added \$10 billion to the health care budget over the time we were in office. We were also very proud to create positions for over 12,000 nurses and to advance the hiring of additional doctors. Also, we were the ones who announced the new school for Thunder Bay and Sudbury. We're very proud of our track record, we're very proud of the innovation we introduced and we're very proud of the change we undertook. In fact, we were the ones who had the courage to introduce P3s. You can see what has happened now. You've had to admit as well that you've got to use private capital in order to construct hospitals.

I'd like to go to hospital funding. Earlier this year, your Premier said that when it comes to funding for hospitals, we are last in Canada. I guess I would ask, is it your plan to bring Ontario's hospitals out of this funding basement, compared to the rest of Canada? If you say no, I'd like to know why, since even Premier McGuinty acknowledges that we are last.

Hon. Mr. Smitherman: Firstly, if we take that away, then the primary messaging of the Ontario Hospital

Association, which is that we're most efficient, would be at risk.

A few points on this that I think are noteworthy: Firstly, the Premier's conversation about the status of Ontario investment—he wasn't speaking only about hospitals; I believe post-secondary education, where we were struggling similarly, was noted—was in the context of gaining support to address the \$23-billion gap. I think it's appropriate that the Premier would advance this to help people understand that, in the circumstances, Ontario is a big and strong province, but our ability to provide services to Ontarians is being impacted by the amount of resources Ontarians are contributing to the government of Canada. That situation, so long as the \$23-billion imbalance remains, is very difficult to address. How do I know it's very difficult to address? Because only today your leader—John Tory, who, by the way, has yet to indicate where his \$240-million proposed cut to health care this year would be funded from—has now indicated that part and parcel of your health platform in the run-up to the next election will be to seek ongoing improvements of efficiency in Ontario hospitals.

I think it's important to acknowledge that what our government has done is operate in a fashion where we have made complementary investments across the breadth of health care. We have not taken one sector at the expense of all others and said, “Here, you have all the money.” If we look at the trend of your party while in office, it was hospitals almost to the exclusion of all other services. How else can we explain the fact that when our government came to office, community-based mental health organizations, as one example, had not seen a penny of increase since before Bob Rae's hair turned grey.

I think this really does stand out as a stark contrast between our government and your government.

I'm proud that we were able to contribute 4.7% as an increase to Ontario's hospitals this year. That was higher than the number they had been expecting. What I'm prouder of still is that we are a government that has gone beyond the talk and moved forward in a fashion where hospitals across Ontario now have a source of predictable and stable funding that allows them to plan. This long-awaited and much-asked-for commitment to longer term funding is part and parcel of our commitment and an acknowledgement that it's not easy to run a hospital; it's a very challenging circumstance. Accordingly, we're proud of the record we have around the investments we've been able to make in our hospitals while at the same time making important complementary investments that have the effect of taking pressure off our hospitals.

Mrs. Witmer: The reality is that it's fine to make the complementary investments, and it's absolutely essential that you do, because, as you know, we established that continuum of care with 20,000 new long-term-care beds and investment in community care and health promotion, but that doesn't change the fact that our hospitals in this province are still in the basement when it comes to funding, and I've heard you say that you're not going to change that situation.

As a result, as you know, we currently have probably about half of the hospitals in Ontario going through the seven-step process to balance their budgets, and they haven't been able to. As you know, it's called the hospital annual planning submission. Step one is revenue generation, and the steps after that become increasingly severe. It calls for the consolidation and elimination of non-clinical services, cutting of non-clinical staff and discharging patients from hospital more quickly, all the way up to steps six and seven, which talk about program consolidation and elimination.

Since there are certainly many hospitals still struggling today to balance their budgets and, as we heard this morning as well, there have been announcements as far as program cuts and staff are concerned, are you prepared to continue to force hospitals to consolidate, cut patient services and lay off staff such as nurses?

Hon. Mr. Smitherman: Well, you put a lot in there. The first thing you did was decide that impacts that are non-clinical in nature are severe. I ask you how you rationalize, on the same day that your leader has said we need to become more efficient in hospitals, which presumably is to focus your energy on trying to reduce the amount you spend on overhead like administration, that you then characterize the same efforts on the part of our government as severe. I think that's something you should answer to.

The reality is, as well, that you've—

Mrs. Witmer: I'm not the minister.

Hon. Mr. Smitherman: It still doesn't mean that in the context of a political discussion—

Mr. Wilson: What a condescending tone you have.

Hon. Mr. Smitherman: —you shouldn't be held accountable for that. I'm trying to rationalize your party's participation in this debate.

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On the issue of consolidation, no one should pretend that if you take two programs and bring them together, and the same volume of services is being provided, that's a cut. Yet, I think that seems to be the inclination with respect to the way you brought that question forward.

Here's the bottom line: In Ontario, we're moving to a situation where we have created a reasonable expectation that if you have the high-end responsibility of being on a board or being the CEO of a hospital, you have an obligation to live within available means. This is no different from the messaging that any health minister in any other government has brought forward. Our determination to make progress on it may be the thing that sets us apart, and progress is being made: 90 hospitals in Ontario are currently in balance or on their way to being appropriately in balance, and many more of them have made tremendous progress toward that. The lion's share of progress has been made in a fashion which has not had any impact on the provision of clinical services.

I think that our record as relates to an accountability agenda and our hospitals is one of the strongest indications to Ontarians that we're serious about the idea that we should live within our means, that we should balance

our budgets. Accordingly, we're going to continue on a process to get us there.

Earlier I had a chance to talk about program consolidation in the context of clinical benefit and of being able to more easily adopt and adapt new technologies. I'll give you one small example: Shortly, in the city of Toronto we'll be opening a new, not-for-profit clinic, called the Kensington clinic that will provide for the consolidation of a significant number of cataract surgeries. We're going to stop the process whereby our tertiary care hospitals, the high end of the health care system, are providing cataract surgery, which most people would agree is not something that requires a person to go into a tertiary care environment in most cases. This is an example of program consolidation where the volumes will come together—in fact, we'll add to them—and the clinical outcomes and benefits to patients in Ontario will be advanced. That is not something to fear; rather, it is something to celebrate.

Mr. Wilson: I want to say hello to Frances Barker at home, who lives at R.R. 2, New Lowell. I know that she's watching these proceedings on cable. She asked me to read this letter to you, which was sent to me in June. It says:

"My name is Frances Barker and I am writing on behalf of my husband, Laverne Barker. We live at R.R. 2, New Lowell, five miles east of Creemore. Laverne needs a hip replacement and has been waiting a year (since I called Smitherman's office) and still no date yet. I have dealt with various agencies and offices and received a wide array of excuses explaining the delay.

"If we had the money we could go to the States or Japan and have it done immediately with no waiting. But as low-income seniors (\$23,000 total) we are forced into playing this evil, archaic waiting game.

"If a horse or any other farm animal was in this much pain he would put down. Every day on TV we see reports of the SPCA investigating and charges laid for cruelty to animals. Well, what do you call this!?"

"He is over the wall in pain and consumes large amounts of pain medication and is very depressed and at times suicidal, begging for something to 'end all this once and for all.'

"I know personally of other people who had this procedure performed with a wait time of two to three months in Toronto at St. Mike's and also orthopaedic and arthritic institutions. We go to RVH in Barrie because of proximity to home.

"Please, Mr. Wilson, can you help us? I am a senior citizen myself (with my own physical limitations). I cannot stand the mental anguish resulting from this much longer. I'm at my wits' end and just have to walk away at times in order to not say something I regret.

"Sincerely,

"Frances Barker"

She wrote that in June. Minister, I'm wondering if you could have someone give her a call. Her phone number is here. I forwarded this letter to you on June 9, and still haven't received a response.

Hon. Mr. Smitherman: I think that the response I offer to Frances and Laverne is to acknowledge that this is an area with considerable challenge. It is why we campaigned on wait times, and I think that you're helping to make the point for the necessity of investing appropriate resources to increase volumes, but also to learn what we can do to enhance our capacity to deliver these services.

Let's speak very specifically, as you have: As a result of the investments we've made just in the last little while at the Royal Victoria Hospital, in addition to the extraordinary amount of new capacity they have around MRIs, in addition to the additional cataract surgeries they have and the additional cancer surgeries they will perform, they will perform 100 additional hip and knee surgeries as part and parcel of our government's increase of more than 6,000 hip and knee surgeries, and more to the point, on the issue of the wait time challenges that are there.

There is no doubt that in an environment like ours, where we have an aging population, our ability to hit this demographic curve is going to require a lot of resourcefulness on the part of the Ontario health care system. One very powerful tool in that regard is forthcoming, as I've already spoken about today, and that is around the wait times information being posted on a case-by-case basis, so that individuals like the Barkers would be in a position to determine whether what they've heard anecdotally, and we've all heard these storylines, is in fact true. I think that the investments we're making are paying off. More people are accessing hips and knees, to the point where our capacity to do these is becoming limited by the time available from orthopaedic surgeons.

But we will continue to dedicate ourselves to improving those circumstances, and I think it's appropriate that this constituent deal with her MPP in the same fashion as my constituents deal with me. We'll make that information available on Web sites, and I think it's going to be a significant way to inform the debate. I give her the assurance that we're not done yet. We're going to continue to work to address these wait times, which are a well-known challenge in our province and across the country.

The Vice-Chair: Thank you very much, Minister. The time now moves to the NDP.

Ms. Martel: Minister, in my last rotation your last comment to me was, "We use 'homes.'" I should point out to you a letter I received from your staff on July 29, 2005, where the first paragraph reads, and I'm quoting, "I am replying to your request for access to information concerning the second survey of baseline data for staffing in long-term-care facilities." I don't think you're in a very good position to point fingers, Minister.

Hon. Mr. Smitherman: Did I sign that letter?

Ms. Martel: It's from your ministry; you said "we": "We use homes."

Hon. Mr. Smitherman: —the deputy and me.

Ms. Martel: Maybe you'd want to clarify with all your staff about the terminology. But let me get to the letter in question, which was a result of my making two freedom-of-information requests with respect to nursing numbers in long-term-care homes.

The first was a request for baseline data which the ministry said it was gathering for staffing in long-term-care homes before an allocation of funding in October 2004. The second was baseline data that they were gathering in a survey after the allocation of funding in October. The ministry said that they were doing this work and the surveys should be ready, and that was in public accounts in May.

The letter that I have talks about the positions as a consequence of the staffing after October 1. I would still be very interested in getting the information with respect to the first survey, what the situation was in long-term-care homes before the allocation of funding. I understand that you were gathering that information, at least you told that to the public accounts committee, and I would still like that information. But with respect to this letter that I received last night, it makes comments with respect to nursing staff and other staff, personal support workers etc. The clarification I would like is, because not all the information is complete, can you tell me if 78% of long-term-care homes have created 1,627 full-time equivalents, which would mean that there are some more to be created, or is this the total that has been created, 1,627, and you still need to verify that that information is true with 20% of the homes?

Hon. Mr. Smitherman: It's my understanding that the number, 1,627, reflects information based on 78% of the homes that have reported. That's accurate?

Ms. Martel: He says that it is. Then if that's—

Hon. Mr. Smitherman: His letter from last night does say "homes," so we've made progress since July.

Ms. Martel: Very good. Let me look at the information with respect to the nursing staff in particular. If it is the case that right now you have 375 full-time equivalents for 78% of the homes, it seems to me that there's not really a way that the ministry is going to meet its target of 600 FTEs, of new nurses, with just the balance of 22% unless you have some enormous hiring of 22%, and I don't think that's possible.

1400

Hon. Mr. Smitherman: There are two pieces to it. The first is that we can't assume that the 78% of those that reported are done. We still expect and anticipate some growth in the 78% and the number from the 22%. I can't predict at the moment whether we're going to nail 600 right on, fall short or exceed it. The data are still forthcoming and the subsequent survey should give us a clearer picture of what that number looks like, but it's the combination of those two things. We'll still produce additional nursing jobs.

Ms. Martel: When do you expect that data from the balance of 22% and whatever additional information is coming from 78% to actually be available?

Mr. Sapsford: That would come in the next survey and that will be based on the end of June 2005 in terms of the numbers. That will be available in mid-November.

Ms. Martel: Deputy, do you have the information available to the ministry now about what the staffing numbers were before the money was actually flowed in October?

Mr. Sapsford: It would be based on an estimate, January to June 2004, so that would be prior to the first allocation of this. The calculation of the 375 additional nurses is from that baseline position. It's a calculation of increase prior to the new funding going forward and then subsequent to that.

Ms. Martel: All right, then I would ask for the data before the money actually started to flow. Is that available in a public format that can be released to me?

Mr. Sapsford: Sure. We can provide that information.

Ms. Martel: Sorry, you did tell me and I just forget; you're expecting the rest of the data, the balance of the data for the second baseline survey, by—

Mr. Sapsford: In November.

Ms. Martel: I would appreciate receiving an update at that time to follow on the letter that I just received.

Can I ask as well, because I think the commitment was fairly clear: 2,000 new staff in long-term care homes, 600 of those to be nurses. If the ministry doesn't hit the target—and I would say the nursing numbers look particularly iffy—what are the plans to try and find out where that money went and to make sure those actual positions are filled?

Hon. Mr. Smitherman: It calls for speculation, so we'll address that when we have data to back it up.

Ms. Martel: So by November, we should have some sense of what those numbers are, and then if they're short, what the ministry is going to do. Would that be correct?

Hon. Mr. Smitherman: Yes.

Ms. Martel: Let me deal with some other nursing numbers, if I might. The announcement made in June with respect to \$28 million to long-term-care homes, what is the number of new positions you expect to be created as a consequence of that money, both nurses and other long-term-care-home staff?

Hon. Mr. Smitherman: I'm at odds over which—could you give some more detail about the \$28 million?

Ms. Martel: You made a second announcement of funding for long-term-care homes in July. It added up to about \$28 million. It was an increase of about \$1.01 per day to the nursing envelope.

Hon. Mr. Smitherman: I think this is an amount of resource that does not have the expectation of a particular implication on staffing tied to it. Someone will tell me if I'm misreading this, but I don't believe we had put an expectation associated with that. This was to recognize that there are increasing pressures.

Ms. Martel: The 2,000 staff that were promised is really tied to the October announcement, then?

Hon. Mr. Smitherman: Yes.

Ms. Martel: You're not expecting to catch up or fill in with the additional \$28 million that was announced?

Hon. Mr. Smitherman: Right.

Ms. Martel: OK. Let me ask then about nursing positions in post-secondary institutions. I would like to get a breakdown if I can—this might have to be provided by the nursing secretariat. In the release that Mr. Fonseca put out on September 15, he said very clearly, "We have

increased the number of new graduate nursing positions." Can I ask exactly what that means? If I look at the new entrants to nursing programs, there's actually been a decline. The most recent figures I have are 2003-04. Was that a reference to new entrants to programs?

Hon. Mr. Smitherman: I haven't seen his release. Like you suggested, we'll take that one under advisement and, if we could, endeavour to get back to the member.

Ms. Martel: The nursing secretariat wouldn't have that information right now? She was listed to be here; maybe she's not. I'm not sure.

Ms. Sue Matthews: I'm Sue Matthews, the provincial chief nursing officer. It's my understanding that those are the new-graduate positions we talked about earlier, but I will check that and get back to you.

Ms. Martel: The new-graduate positions.

Hon. Mr. Smitherman: It may have to do with the commitments that were in the budget, which included an initiative related to northern Ontario. We will endeavour to firm all that up.

Ms. Martel: If that's going to be the situation, I wonder if I can get some new graduate numbers from a previous time period, which would be 2003-04, and then 2004-05. I'm assuming that your reference is to 2004-05, the most recent. OK.

I'd like some additional information with respect to these seats all together, so if I might just break this down, how many seats were funded for nursing programs in 2003-04?

Hon. Mr. Smitherman: I think these are questions for the Ministry of Training, Colleges and Universities. We'll endeavour to get good quality answers around them, and obviously we're working in partnership, but these are functions of another ministry.

Ms. Martel: I apologize. I thought the nursing secretariat would have that. I'll just give you the rest of them: the seats that were actually filled, so the funded seats for that time period, and how many graduates in both of those time periods. That would be great.

My other question also had to do with the late-career nursing money that was announced in July, the \$25 million allocated to hospitals and the \$3 million to long-term-care homes. How was that tracked and do you normally provide a breakdown by both the hospitals and the homes? I'm assuming you're going to use the same tracking as you put in place last year for the same allocation, with a different figure of money.

Mr. Sapsford: Yes. My understanding is that it's on application. So we would accept proposals and then track with the individual institution, whether it's a hospital or a long-term-care home, as to the positions and how they're followed up, and we would expect a report back.

Ms. Martel: Where are you in the reporting mechanism? Are you just finishing up with last year's allocation of money?

Mr. Sapsford: Yes, for the current year.

Ms. Martel: No, but you had money that was announced and allocated last fiscal year for career nurses, correct? Do you have figures on what the final situation was for the applications that went out last year?

Mr. Sapsford: No, we wouldn't have that now but that would be part of the work that we'll do this year. I'll check with staff in terms of the precise timeline.

Ms. Martel: My apologies, then. When did the applications go out? In September?

Mr. Sapsford: I'll find that detail for you.

Ms. Martel: All right. Before I wrap up on nurses, I wonder if I can just get this from the Minister: At the start, when I was asking about numbers, you said you had different categories in the numbers that the ministry was using for full-time positions. Can I just get those from you again? I think they're the same as the ones I have, but if you could—

Hon. Mr. Smitherman: Yes. I think we've covered them: hospitals, long-term-care homes, home care—under home care needs to be the broader community as well. So far, we haven't captured increased employment in public health, where we anticipate increased nursing employment. We haven't captured it in terms of our mental health initiatives, where we know through things like ACT teams that there have been increases in nursing employment. We know there will be significant nursing employment related to family health teams for new positions, so that's one part of it, and then the new grad piece.

Ms. Martel: But you're using some set figures for created positions, so can I get the breakdown of the 3,002 positions, I think it was, created that you referenced this morning?

Hon. Mr. Smitherman: It was 3,062. I'll give that to you now: hospitals, 1,202; long-term care, 375 to date; home care, 485; family health teams are reporting zero for now, with high expectations to come; and the new-grad piece is the 1,000 that we spoke about extensively this morning.

1410

Ms. Martel: I'd like to ask some questions on the money that was allocated for bed lifts. I gather that about \$110 million was allocated in 2004-05.

Hon. Mr. Smitherman: The allocation around bed lifts was over at least two, and perhaps three, fiscal years. Some of it certainly was in 2003-04, just FYI.

Ms. Martel: Was that allocated strictly for the lift itself, or if a hospital or long-term-care home had to do some renovations to make that work? How did that work?

Hon. Mr. Smitherman: It was a capital allocation on a per lift basis with an established cost. I don't know exactly what ancillary costs might have been associated with it, but for the most part these bed lifts can be easily installed in environments without construction. I believe the per unit cost that we provided was satisfactory for long-term-care homes and hospitals to be able to contract for their installation.

Ms. Martel: Do you have the figures for 2003-04 on how much of that allocation was actually spent? How many hospitals and long-term-care homes used it?

Hon. Mr. Smitherman: We'll happily provide that to you. I'm pretty sure we can get that down to per envi-

ronment—I'm trying not to use the word "institution," because I don't think of long-term care as institutions. I believe we can show you a list of which of those entities received an allocation and had an installation.

Ms. Martel: Can I be clear: Was the allocation essentially divided three ways over three years, or was there more going out in the first fiscal year?

Hon. Mr. Smitherman: The lion's share of it was in the 2004-05 fiscal year. We'll give you the breakdown on each of those.

Ms. Martel: That would be very useful.

Hon. Mr. Smitherman: I should just say too that there was some opportunity, especially in the 2003-04 allocation, I think, for other care and safety-related—while the lion's share was focused on ceiling-mounted bed lifts, some other kinds of equipment were also included; in some instances, mobile lifts.

Ms. Martel: That information would be helpful. Just on the area of equipment, if I might, the ministry made a one-time allocation of \$11 million for hospitals to purchase safety-engineered medical devices. You will know that I have a private member's bill that is in committee, and has been in committee for some time now, which I am afraid will be lost with the new session and which I regret would be lost. It seems to me that if the ministry saw the value of making an allocation of some \$11 million to hospitals even on a one-time basis, there must be some value to recognizing that needle-stick injuries are a significant problem not only in our hospital system, but in long-term-care homes and doctors' offices as well, and that we could be doing more to make sure we avoid those. Using safety-engineered devices is a sure way to avoid those kinds of accidents in any of those working environments.

There's been a lot of lobbying that has gone on to your colleague at the Ministry of Labour previous to the government's announcement. I can't confirm whether there was lobbying to you directly, but what is your position with respect to making the use of safety-engineered devices mandatory in prescribed workplaces—like they're doing in Alberta, like they've announced they're going to do in Manitoba, like they're doing in the States—so that we're sure we protect workers from injuries that really are preventable?

Hon. Mr. Smitherman: I think two or three points are relevant. Firstly, one of the first acts of the former Minister of Labour was to create—I don't know if he used the word "table" but, related to the health care sectors, bringing together a variety of leaders to look at things. We've been very grateful for the work that all have been doing on that.

The one-time nature of the \$11-million investment shouldn't be missed in the sense that if you look at Toronto East General Hospital, one I'm kind of familiar with, there are one-time costs associated with the implementation of this kind of a program, and they were able to implement that.

I would just acknowledge that this is an area where there is more opportunity for progress. We are not running shy on places where we have opportunities for

good-quality investment. Our dedication to the health and safety of our nurses is well reflected in the commitment we made on bed lifts and also to changing work practices, especially for older nurses, to literally try to take some of the strain off their backs.

In the hospital environment, there are different places where it makes more sense to go needle-stick-free, or safety-engineered devices. We're going to continue to work with the hospital sector and nursing groups with a view toward making more progress on this, but I think it's fair to say we don't have all of the resolution to that as yet.

Ms. Martel: You mentioned that the Minister of Labour set up tables with health care workers, and my understanding is that the incidents of needle-stick injuries and mandatory use of safety-engineered devices was rated as a priority, probably the number one priority, with the health care groups that were involved. So this is a major issue for them and it needs to move beyond the discussion at the table with the Ministry of Labour to a recognition that we can protect health care workers—nurses and others. We can certainly protect people who come into contact with these devices downstream who have nothing to do with health care but end up being stabbed by a needle when they're cleaning out the garbage. This happens as well. We should really look at, if not trying to deal with my private member's bill, then a government bill that would have this on the table for discussion and debate.

Hon. Mr. Smitherman: It's important to acknowledge that it has gone beyond the discussion point to where our government, the first in the history of Ontario, has provided some resource to begin with the implementation of it. I'm the first to acknowledge that there's more work to be done there, but I'm the first to acknowledge that I have more work to do on a wide variety of files, and this would be one of them. With respect to the commitments that we've made to nursing, I think they stand well in terms of the investments we've made and the recognition that the health care workplace environment is one that we always have strived and should continue to strive to make more safe.

I don't disagree with much of what you've expressed. We've got to keep pounding away on it.

The Vice-Chair: The Chair recognizes Mr. McNeely.

Mr. Phil McNeely (Ottawa—Orléans): My question relates to wait times. In my mind, wait times reflect the general level of health care in the community. My question is specific to Ottawa—Orléans and the Champlain district, of which Ottawa forms the largest part. The ICES report on wait times for the 2003-04 period, the last year of the former government, came out in April 2005 and therefore reflects the situation when you assumed this ministry. As you and we in Ottawa already knew, Ottawa wait times were the worst in the province when we took over as government. This was the legacy of John Baird, Norm Sterling and Mike Harris. They seemed to cut deeper in Ottawa than in other areas of the province. ICES showed Ottawa wait times were the longest—14th out of 14—and absolutely the worst in the province.

Information comparing wait times was not available until the ICES report came out, but anecdotal evidence was available and you, and our government took action. In Ottawa, you confirmed that the CHEO cardiac unit would stay and prosper in Ottawa, and that was great news for us. You provided two new MRIs, one for the Queensway-Carleton Hospital and one in my community for the Montfort, increasing MRI exams by 11,000 per year. You provided one of the most efficient hospitals in our area, the Montfort, a hospital that serves both the francophone community in Ottawa—Orléans and all of my community, \$125 million to expand—wonderful news for Ottawa—Orléans residents. You've increased hip and knee surgeries by 400, as many as they could do. You've increased cancer surgeries at Ottawa hospitals by 500 in 2005. You've increased cardiac procedures by 790 in 2005. There's been much good news for Ottawa in the past two years, which follows the period of provincial supervision and threatened and actual cuts.

Minister, health care equity across this province is important to all of us. I've noticed improvements in diagnostic testing already in Ottawa and shorter wait times. So I believe actions taken by you and the McGuinty government are showing good results. Can you tell me what changes you are making in the monitoring and reporting of wait times, when the next reporting of wait times across the province will be made and, where there is significant inequity, some of the actions you'll be taking to ensure all areas in this province continue to see improved health care?

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Hon. Mr. Smitherman: I thank the member for the question and for placing it that way. I'm not sure I'm supposed to say this, but your passion around progress on this is intense.

I think a few points here are really crucial. The first is that this is the power of local health integration networks. But what impressed me more than anything else when ICES released the report we commissioned them to do was that the information on a local health integration network was provided on a local health integration network basis. If you looked at the regional news coverage coming out of Windsor for the folks in Erie-St. Clair, for the very first time the people in Champlain were able to take this huge health care story and have more of a geographic or regional take on it. That is about the beginning of a more accessible conversation about health care. To me, that stands as a very strong signal that local health integration networks are already powerful, because they're going to change the nature of the debate.

The challenge we face should not be misstated. It's easy in the abstract to look at a bunch of numbers and say, "You need to shift that number over here and that number over here." That's easy to say in the abstract. But the challenge you quickly run into is that you have health care organizations, health care providers, actual clinicians, doctors and everybody else aligned around current service delivery patterns. So it comes to us, in the new investments we make, that we should seek to make those

investments consistent with what we know about regional inequity. This is where the rub really begins.

In Ottawa today, or in the Champlain area today—I should be more precise—we have 169, on the most recent wait time resource allocation that we did. It would have been our preference, in addition to what we did allocate, to allocate 169 hip and knee replacements to the Champlain district. But there's a problem. In the current configuration of the Champlain district, with the challenges around anaesthetists and the time available by orthopaedic surgeons—I'm not just talking about the hospitals in Ottawa but throughout the Champlain region—we have not had the capacity available to give Champlain all of what our information dictates should be available. Then we looked logically to the next local health integration network over and, similarly, no capacity exists there. So we're informed on an evidence basis for the first time. It creates the catalyst for more of a community conversation and gives us the opportunity to make allocations in a fashion consistent with the principle of equity, and that is our determination.

As we seek to do it, we confront very practical barriers, many of them around health human resources. But we don't rest on that point. Hugh MacLeod, our associate deputy minister, who is responsible for the health results team and who works with Dr. Glynn and Dr. Hudson, then looks to go the next step: How do we involve experts to unlock some of these circumstances? What's a small example of this?

There are places in Ontario that have perfected—I'm going to use an example that I believe I will get right. Toronto Western Hospital on Bathurst Street has perfected a new model of hip and knee replacement that requires less time in hospital and getting on more quickly to the comprehensive physiotherapy. Shortening the stay may prove to be one opportunity to enhance capacity. Part of what we seek to do with the good work of these three gentlemen and through these expert panels—I call that the system helping the system—is to unlock those problems. Our determination to address these things with a greater degree of equity is there.

Local health integration networks: We're going to continue to collect information on that basis and inform the local conversation. But we will soon discover there are challenges that we have to find solutions to unlock. Our determination to get that fixed and to be more equitable drives our passion to unlock new solutions to address challenges.

Mr. Jim Brownell (Stormont-Dundas-Charlottenburgh): I would like to reflect on the comment you made this morning where you said, "LHINs are going to help us build a system...." Very often since you took over this ministry—in the very first week I heard you talk three times about the system that you couldn't find. You always had an expression and you ended that expression by saying that it might not be grammatically correct.

You've alluded to the fact that health care providers have worked in silos for far too long, that constituents were having trouble making their way through a tangled

web as they worked to get access to health care. I'm just wondering, with LHINs, how will these local health integration networks overcome the problems that have been experienced in the past and help to really create that system that hasn't been there in the past?

Hon. Mr. Smitherman: The expression that I always use is, "The more I look for a health care system, the less of a system I see." I know the grammar is a little twitchy there, but it's a theme that I revisit all the time. We use the word "system" a lot, but if we apply our understanding of what the word "system" means, then we would not have these kinds of anomalies. I'll just give you a couple that I think are startling.

When Dr.—I keep wanting to call Hugh MacLeod a doctor. He won't mind. When Hugh MacLeod first started to do work around the health results team and our wait times in particular, we sought to be in a position to allocate additional resources. We knew that we wanted to do a bunch more cataracts, so we asked all those providers of cataract surgery in Ontario to tell us, "How many more could you do, and at what price would you do them?" This is kind of a novel concept for health care. The surveys came back and said there were tonnes of additional volume available, and we've eaten up a good chunk of that, and the range in price per eye was from \$450 to over \$2,000 for the same procedure in the same Ontario health care system.

We asked later on, "What is your throughput on your MRIs?" You know that we've funded MRIs typically as an eight-hour package, 40 hours a week, but we never established an expectation of what the flow-through would be, what the output would be. So we got this expert panel together, and they determined that it was appropriate that you do 1.25 MRIs per hour, and therefore you can determine what your hours are buying you. When we asked hospitals to apply that standard created by the system itself against what they were actually doing, the range in efficiency from the same Ontario health care system was 33% to 125%, another piece of evidence, I think, that the word "system" is a bit overused.

I should give some credit here. There are lots of places in Ontario where health care services have come together and are better integrated now than they were a while ago. That's not to suggest that we have overcome what is widely known as the silo mentality. What we really do with local health integration networks is seek to topple those silos on to their side and give one body made up of people from the local community closer to the action more capacity to help lead in the planning, integration and funding of health care in a fashion that recognizes the interdependent nature of the delivery of health care services, which recognizes fundamentally that, as a patient, it's no good to me to get good care in a hospital if, when I leave that hospital, there's some big disruption with accessing services through the community care access centres. As I've travelled around Ontario, I have found those places where the community care access centre is in the hospital and engaged, and I have found those places where it isn't.

All of this stands as evidence, I think, that we haven't lived up to our use of the word "system." With local health integration networks, we simply seek to create more system thinking and performance that builds on the idea that we are all in it together for the patient—one patient. So we put that patient at the centre of care, we create a firm—not a boundary that a patient can't make their way through.

My mother lives in Jim Wilson's riding, on the mountain in Collingwood, and her doctor is in Etobicoke, which is where we were from. My mom continued to be able to get services like that. But what we seek to do is, by creating some regional structure—a word that I sometimes stay away from—by collecting data on a consistent basis within it and bringing those health care providers in that same geographic area together, we can encourage them to work better together.

A small anecdote: During one of the sessions held where health care providers came together with people from the LHINs in the Niagara area, two health care providers who worked in different addiction treatment organizations in the Niagara Peninsula had spoken on the phone many times over the 10 years that they were both working in this same area, but they had never met. They had never come together face to face. Maybe that seems like a small thing, but to me it's a big thing.

What we're creating is a dynamic for a new conversation and a new way of making decisions based on the reality that our resources are more scarce than any of us would prefer. Accordingly, it's appropriate to make sure that people closer to the action at the local level are exercising appropriate judgment around what local priorities require resourcing over others. This is the other piece that gets at Phil McNeely's question about equitable services.

1430

The deputy has a very different experience, both as a long-term bureaucrat and as someone who's been very involved in a variety of health-provider roles. It might be helpful to get some further words on that from him. Do we have time for that?

The Vice-Chair: Sure, absolutely. There are five minutes left.

Mr. Sapsford: I think it's important to understand that many health delivery agencies are focused on their mandates. Some of our health agencies, such as hospitals, have statutory mandates where their role is quite clearly defined. So when it comes to looking at local service delivery, naturally those agencies look to their prime mandate, and where patients cross their boundaries, they look to others to do it and basically stay focused on their own primary role.

If one looks at our health system, what we don't have in our health system is that focus at the local level that looks across all agencies of delivery and spends a great deal of time and energy looking at how the system elements work together. Many people looked at the Ministry of Health to do that as a ministry. This system is too big, and the province is too big and complicated to expect that that can be done from a central location.

As the minister has said, I think it's very important that people recognize that there is a huge amount of interrelationship between existing agencies that needs to be planned, managed and funded, and that really has been a gap in our health system which LHINs are expected to fund. It is going to be a different model in this province from other provinces. Many others have gone the full direction to actually include the employment of all health care workers in an area as part of the role of the regional agency. That, of course, brings a different level of responsibility, a different set of complications and issues that need to be addressed. I think the model here is going to continue to rely on local boards of hospitals, local health volunteer agencies, as important contributions to how our system operates. From my perspective, for local hospital boards there is still a very real and vital role that they play in managing their own activities, their own planning and strategy and the quality of care in their agencies and institutions. This model for LHINs will not directly interfere with their responsibilities.

I think it's an important change that will take some time to put into place, but over a period of time I would expect that the quality of our service delivery and planning at the local level will improve as a result of that.

The Vice-Chair: There are still a couple of minutes left on this side, if you want to extend the answer.

Any further questions? No. In that case, it goes to the opposition.

Mrs. Witmer: I had one more question from the last round, and it had to do with the hospitals in Ontario.

There had been an indication from the province on January 17 of this year that that would be the final bailout. I'd like to know, how much money did the province provide hospitals with after that January 17 allocation, when were the allocations made, and what were the allocations made for?

Hon. Mr. Smitherman: I'm happy to let the deputy answer that question, but I think it's an interesting use and continued characterization of the word "bailout," especially because I think the honourable member has already acknowledged that associated with the taking on of some additional one-time costs on the province's part was some very difficult decision-making on the part of hospitals. A bailout rather surmises that you just toss a bunch of dough into the status quo with a view toward masking a problem, and that bears no resemblance whatsoever to the strategy that we've employed. We did acknowledge toward the end of the fiscal year that hospitals that were in a situation where they were taking action to have their budgets in balance might require some one-time assistance to address one-time costs. We thought it was appropriate to support that. By all accounts, I think it's inappropriate to support that. By all accounts, I think it's inappropriate to characterize that as a bailout. But the deputy will give you some of those numbers.

The Vice-Chair: Are you satisfied with the answer?

Mrs. Witmer: No, I would like the information, actually, from the deputy.

Mr. Sapsford: Mr. Chair, the difference is at a level of \$200 million.

Mrs. Witmer: Two hundred million?

Mr. Sapsford: Yes. Of that, approximately \$91 million was used to fund labour adjustment strategies.

Mrs. Witmer: Can you explain what you mean by "labour adjustment strategies"?

Mr. Sapsford: It could have been a bridging to retain employment. It could have been used as part of a severance, where that was necessary. These would be one-time related costs.

Mrs. Witmer: Is that the amount of money that was given to the hospitals when they laid off the nurses?

Mr. Sapsford: Well, I can't break it down.

Mrs. Witmer: Because that was \$91 million.

Mr. Sapsford: That \$91 million was related to labour adjustment.

Mrs. Witmer: So that well could be the case, then, that hospitals were given \$91 million when the minister announced that nurses were going to be laid off. The figure is the same, I guess.

Mr. Sapsford: What I can't do for you is to relate one number directly to the other, but it would be used for severance arrangements in cases where staff were laid off.

Mrs. Witmer: That's right.

Mr. Sapsford: Or training was the other one-time expenditure—retraining. Positions may have left one department, but opportunities were created. Staff that needed retraining to take on those positions would be part of these numbers. Ten million was allocated to small hospitals for their particular issues, and another \$89 million was provided for efficient hospitals. Those three together were the \$200 million.

Mrs. Witmer: And that's all that hospitals have received since January 17, 2005?

Mr. Sapsford: That's my understanding. Well, there may have been capital equipment money—I'm just not sure of the timing—but against operating costs, that would be the amounts.

Mrs. Witmer: I find it interesting that \$91 million seems to correspond with the amount that was allocated so we could lay off almost 800 nurses.

I want to go back to this construction of hospitals and additions. There's a hospital in our province that we know has some very serious health and safety issues, and that hospital is Mattawa General. It is about 65 miles from North Bay. As you know, there was approval for the project from Minister Clement in 2001, and the request to tender was submitted in 2004. Minister, when are you going to be giving approval for that hospital to proceed with its project? Because the consequences of not doing so pose some very, very serious—I can't stress it enough—health and safety issues.

Hon. Mr. Smitherman: I think we've gone over this ground pretty effectively earlier today: another Tony Clement announcement that you say had approval. But the problem is that I suppose an unfunded—I don't know how you characterize an unfunded approval. We have to

remember the context here, and the context is clear. Your party brought forward a budget in 2003 that you claimed was in balance, but the former Provincial Auditor has proven that it was not, to the tune of \$5.6 billion, which, by the way, didn't even capture some of your unpaid expenses buried in the working capital deficit challenges that hospitals face. So the circumstance we have is very similar on the capital side, which is that in the run-up to the last election and through a series of other things we spoke about, Ontario ends up in a circumstance with more hospitals committed than resources to be able to move forward at the same time.

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I'm not in a position to discuss the issue of Mattawa, because I don't have its circumstances fully in mind, except to say that in each case where a hospital has developed a plan, we seek to create the opportunity to move that hospital forward. Mattawa's circumstances are there, but I think they are not entirely unique. I would note in that same area, a hospital long promised by your party and by your former Premier, who came from that riding, was in fact delivered by Monique Smith, my parliamentary assistant, which I think stands as very apt demonstration to the people of northeastern Ontario of the commitment we make, particularly when you consider the work we've had to do as well to mop up after some pretty poor handling by your government of the situation in Sudbury. Northeastern Ontario is a place where a significant amount of hospital resource allocation are ongoing, but I acknowledge that across the breadth of the province, there are many, many projects that still warrant additional support, and considerable additional support will be forthcoming.

Mrs. Witmer: If you want to talk about North Bay, the day of the announcement, my leader had been up in North Bay and obviously was quite concerned, as were the people of that community, that the hospital announcement had not been made. Interestingly enough, the opportunity was presented, I think, in a very makeshift manner, and an announcement was made because of the pressure that John Tory put on the government to make this announcement.

Hon. Mr. Smitherman: Where's he going next, so I can get ready?

Mrs. Witmer: He's going to Cambridge, so we expect an announcement any time, and then up to Mattawa.

Hon. Mr. Smitherman: I'll get ready to wilt.

Mrs. Witmer: Anyway, if you want to talk about the budget, you and I both know that no audit whatsoever was done and you did inflate the numbers. You added in some hydro charges and everything else you could to make the numbers look as high as possible. We indicated how you could balance the budget, and your government chose not to. I don't think we even want to go there.

However, I would like to ask you right now if the CCACs have received their allocations for this year.

Hon. Mr. Smitherman: Deputy?

Mr. Sapsford: Yes, they did go out.

Mrs. Witmer: What increase were they provided with?

Hon. Mr. Smitherman: We'll get you that number in one second.

Mr. Sapsford: Did you want to carry on?

Mrs. Witmer: I will. I'd be interested in seeing the OHIP numbers. What is the government presently paying as far as the fee-for-service dollar allocation?

Mr. Sapsford: For the CCACs, the increase, year over year, was 11.9%.

Mrs. Witmer: That increase was intended to do what?

Hon. Mr. Smitherman: Provide support for an additional 45,000 acute care clients. The federal accord that governs these dollars, I believe, also includes resources—correct me if I'm wrong on any of this, Maureen. Is end of life wrapped up in that number?

Interjection: No. It's separate.

Hon. Mr. Smitherman: Expanding service to 45,000 additional acute clients.

Mrs. Witmer: Does this also allow the CCACs to pick up the slack, now that hospitals are being placed in a position where they must balance their budgets and they're being forced to divest, as you know, some of their program services—day programs? It's great to talk about breaking down the silos, but I guess what we need to make sure of is that people are not being totally ignored and forgotten as some of these services are no longer provided at the hospital.

Hon. Mr. Smitherman: The combination of these enhancements to CCAC services and the other enhancements across the breadth of our community portfolio—as an example, I think that Hilary Short, from the Ontario Hospital Association, has acknowledged the complementary nature of investments. The fact that the 45,000 additional clients being served had associated with them the word “acute” was an acknowledgement that each of those services was designed to take some pressure off hospitals.

The short answer is yes, not only in that area but also through other investments we've made, including our contribution to community support services, designed to keep people healthy in their homes longer, and also work around some of the resources we've brought to bear on files like mental health. We know that lots of people in need of community-based mental health, if they get it, will be prevented from an acute mental health occurrence. It's another example of taking pressure off the hospitals.

Mrs. Witmer: I have to say that we, as you know, put in place those community programs, and I was pleased to see that further announcements continue to be made. In fact, last week I was congratulated for what we had started to put in place and what is being continued. I support doing everything we can to keep those people there.

Do you have the number yet for the fee-for-service allocation?

Mr. Sapsford: Yes. The increase over printed supplementary estimates is \$342.8 million in this estimate related to the Ontario health insurance plan.

Mrs. Witmer: Where would that increase primarily be directed?

Mr. Sapsford: A good portion of it would be related to increased utilization, so increased visits to physicians. The other portion would relate to the new agreement with the Ontario Medical Association.

Mrs. Witmer: Do we know how many more physicians we have in the province today compared to, say, 10 years ago?

Mr. Sapsford: I can't give you 10 years ago. We're probably still down, but in the last two years there have been some marginal increases in the total number of physicians. I think the increase in the last two years has been about 600 or 700. That was preceded by a number of years where there was actually a downward trend. So there has been a change in the last two years.

Mrs. Witmer: We know that when it comes to physicians, that shortage continues to be there. We also know that there are those who are receiving their training abroad. In particular, there's a large group of people in Ireland. I think the minister said at one time that those young people certainly would have the opportunity to be embraced and given the opportunity to practise here. I would like to know how many of those people who are graduating who have trained abroad are within our system this year.

Hon. Mr. Smitherman: I would say that the deputy may be able to give a number.

Firstly, on the issue of foreign-trained doctors, we also have many in our midst who were not Ontarians originally but have chosen to make their home here. Accordingly, we've sought to increase access for them to the residency and support they require to be out there in support of Ontarians.

On the question you asked with respect to Ireland—and Ireland stands as one example—we are working with IMG Ontario to increase access to residency spots for Canadians who go abroad in search of education in other places. This is a newer initiative. It would hardly be reflected to date in our statistics as this is a new move in policy that we've made, but in the forthcoming years it should enhance our capacity to utilize all the spots that are available for international medical graduates.

Mrs. Witmer: I guess what I'm hearing is that at the present time there are none of these Canadian-trained graduates in our system.

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Hon. Mr. Smitherman: Yes, there are, but I'm working on a 2004 number and, at that time, it was five. The point is that it's getting rolling in the sense that there's an annual shot at getting in. So it's something that we've just made more available. In a certain sense, it stands as an area where we can enhance our performance going forward as we've made a new policy decision, so this number will be growing.

Mrs. Witmer: So what are the future plans that are in place that would enable these young people to practise here in the province of Ontario, and how rapidly do you see that number—five—increasing?

Hon. Mr. Smitherman: I think the opportunity is that we have to get our openings to coincide with the writing

of tests. We have to be synchronized. At the time the policy decision was taken, it really wasn't practical for very many people to take advantage of it. That will be enhanced. I can't speak to a specific number, because it would be inappropriate to do so. As you well know, the decisions around who is able to access those positions is something that is taken with lots of involvement from representatives from the various medical schools in Ontario. We're going to continue to depend upon them to assist us in that way. The 200 spots that are available, of course, are ones that represent a very significant increase over the number of similar spots that were available when we first came to office, and this stands as one of five or six initiatives that we're working on to enhance physician supply overall.

I mentioned before that we're increasing the size of our medical schools. Of course, we've recently had the privilege of opening the new medical school in northern Ontario. We've worked to enhance the proportion of spots that are available for family residency. Then we work on models like family health teams, which actually provide the opportunity for more people to be engaged in care, because doctors, working along with other health care providers, can handle, if you will, through a broader circle of care, a broader number of patients.

I think that all of these things, taken together, are going to make a discernible difference to those Ontarians who are having difficulty accessing that kind of primary care.

The Vice-Chair: Thank you very much, Minister. That ends the time for the opposition. The Chair recognizes Ms. Martel.

Ms. Martel: Thank you, Mr. Chair.

I'm interested in the long-term-care funding announcements from the perspective of how they are meeting the government's commitments to residents and their families in the last election, a promise that was "to invest in better nursing home care, providing an additional \$6,000 in care for every resident." I believe there is a significant gap between what the government has announced in long-term-care funding and how much of that money is actually going into additional care for residents. I don't think I'm the only one who has raised that concern.

I point to a submission that was made by Donna Rubin on behalf of the Ontario Association of Non-Profit Homes and Services for Seniors to the standing committee on finance and economic affairs in January, where she said, and I'll just read this into the record:

"The much-publicized figure coming out of the 2004 provincial budget of \$191 million to support residents in long-term-care homes has been repeatedly challenged by opposition parties in the Legislature, and it was in fact acknowledged by the Premier that \$75 million of this amount is for additional services to assist patients to move out of hospitals and into long-term-care facilities, for the public reporting system and Web site, and to enhance care standards, including staff and training. These are all very important and worthy initiatives, but the

reality is that in the end, approximately \$110 million of the \$191 million was actually added to the base budgets of long-term-care homes to increase care and services for residents, rising to \$116 million in 2005."

The ministry continues to use a figure of \$191 million, providing the impression to the public that this is \$191 million that has gone into residents' care. Because the ministry continues to do that, even in the face of comments from people who are involved in the sector, I put in a freedom-of-information request to the ministry on June 16 and asked for a breakdown of how the \$191 million was allocated to long-term-care homes. In July, I was told by the ministry that I had two options to access this information: I could get it on an Excel file, which would contain all the homes and all their allocations, or I could obtain 600 ADM letters and funding schedules, four pages addressed to each home, which contained the funding allocations.

We e-mailed to the ministry on July 11 that I would like the Excel document, because I wasn't very interested in 600 times four pages from the ADM, much as they might be interesting.

I've got to tell you, Minister, that, despite repeated phone conversations with your staff, today, September 27, I still have neither an Excel document nor 2,400 pages from an ADM. I have no indication of what the breakdown was of that \$191 million. I know that \$116 million was posted on the ministry Web site last October. There was a breakdown of the allocations that went to each home. I don't have the rest of the information, and I honestly don't understand why it has taken this long to get, especially when I was presented with some options for that information in July. So, can you tell me what this breakdown actually is?

Hon. Mr. Smitherman: Sure. The \$116 million is designed to address our goal of enhancing care through bringing additional staff into the long-term-care sector. We've had an opportunity this morning to discuss the progress that's being made toward those goals.

In addition to that, there are a wide variety of other care initiatives that have been developed, all of which have, associated with them, enhancements to the quality of care for our residents through things like education and training and the development of more best-practice guidelines and those sorts of things that allow us to make sure that policies that are developed well in one place are advanced. This includes specialized geriatric services and more work on developing common assessment projects for long-term-care residents in a variety of places.

The other part of it that I think you've seen some advantage of in the Sudbury community is the development of a strategy related to enhancing care and also taking pressure off of the acute care system at the same time through the development of alternate level of care strategies that have seen the opening of interim long-term-care and convalescent care beds.

I think that these three things, taken together, achieve the \$191-million investment, and all stand as good signals of enhanced care for residents in the province of Ontario.

Ms. Martel: I'd like the breakdown of the balance of \$75 million. I know where \$116 million went; it's the \$75 million that I have—

Hon. Mr. Smitherman: The alternate level of care aspect is \$46.6 million, and other initiatives, which include internship positions for nurses, strategies to support senior nurses, development and dissemination of nursing and other best practice guidelines etc., total just over \$28 million.

Ms. Martel: If I look at the \$46 million and the need to put that in because of the pressures at the hospital, there is no argument from me and I don't think that there are arguments from those in the sector that that is needed to take off the pressure in the hospitals. My concern is the government applying that as part of its commitment of \$6,000 of additional care for every resident. It is true that some of that money will help a particular individual who's going to go either back to their home or somewhere else in the community, but it surely can't be part of the overall enhancement that the government is making so that, as part of your promise, every resident is going to receive an additional \$6,000 of care.

Hon. Mr. Smitherman: If I look at our campaign file—at no point, through the work we've done on the \$191 million—I haven't been tying this back to a number; you are. We characterize the investment as an investment in enhanced care for people in the long-term-care sector, and I think that's entirely consistent with the way we've spent and allocated those resources. There's no doubt that each of these dollars spent has, at its heart, the desire to enhance the quality of care for residents in that sector. We've obviously been clear in characterizing \$116 million as what is necessary to enhance by 2,000 the number of people working in the long-term-care sector, with a view toward ensuring that at least 600 of those are nurses. We continue to work away on demonstrating the achievement of those numbers, but all of the \$191 million has gone toward enhanced care in what is appropriately called the long-term-care sector. How that's accounted for beyond that has not really been the way that I have been choosing to communicate.

I think that it's also important to note that we made other commitments. I'm very, very proud that our government has come within pennies of achieving a commitment to reverse the increase in the co-pay that the Conservatives brought in and also to make the first increase in a heck of a long time in the comfort allowance. These things, taken together, obviously all represent important steps in our government's commitment to enhance care in long-term-care homes.

1500

Ms. Martel: What do you characterize as money that's being contributed to, as per the election promise, the additional \$6,000 in care for every resident? Of the allocations that you are making in the long-term-care sector, which of those go toward fulfilling that commitment to get to the \$6,000?

Hon. Mr. Smitherman: If I read my party's campaign platform, that number is not there. Maybe that is

from a piece of correspondence or something. I'm really measuring it more on the basis of, what progress are we making toward our commitment to enhance the quality of care in the long-term-care sector? I characterize every penny of this \$191 million, and some other dollars as well, as progress toward improving the quality of care, but we haven't sought to view this simply as a discussion with respect to dollars. We also view it as an opportunity to strengthen regulation and to bring in a piece of legislation that will go many steps farther. Across the breadth of all of these initiatives, there are obviously monetary gains and improvements that have been made to address care, but we've also viewed it as necessary to move forward in a complementary fashion around regulation and legislation. As I had a chance to say in my opening speech, legislation will be forthcoming later this year in that regard.

Ms. Martel: The \$6,000 comes out of campaign literature from a Liberal candidate, so I take it as an election promise, and I also take it that when people saw it, they made decisions about voting perhaps solely on that issue, that their mom, their dad or they themselves, as a resident in a long-term-care home, were going to benefit by the election of a Liberal government to the tune of an additional \$6,000 of care, not only for themselves but for every resident in a long-term-care home. Why I'm asking this question is to get at where the government is in terms of the commitment it made for an additional \$6,000 per resident, for every resident in a home in the province.

Hon. Mr. Smitherman: The evidence is there. For anyone who is in a situation where they are in a home or they're attending or related to someone who is in a home, the evidence abounds around the commitment our government has made to improve the quality of care in those homes, to answer the first part of your question.

I don't think you have a piece of literature from me with that figure in it; I don't know. What I know for sure is that our party platform did not have a figure like that in it. But like I said, I'm not involved in that exercise around a certain number of dollars that you're speaking about. I can tell you that as the Minister of Health in Ontario, I've had the opportunity now over almost two years to invest a considerable amount of time, energy and resource, and quite a lot of fiscal resource—that is, the money of the people of the province of Ontario—to enhance the quality of care for our loved ones who are living in long-term care.

To your question about election strategy and the like, we'll be held accountable at election time. I feel quite confident that people will see the progress we've made in long-term care. I'm the first to acknowledge that, as in almost every other area of health care, there is more work that can be done. Not all governments have felt inclined to do so, but we operate within an environment of some limitation of fiscal resource, and within that we've made a very, very strong commitment to long-term care, both by putting more dollars into the system that we had and by extending the capacity of the system both in terms of

new beds and new interim beds, which have the positive benefit of also assisting our hospitals.

Ms. Martel: If I might, let me read into the record, then, information from a press release that was put out July 18, 2005, by the Ontario Association of Non-Profit Homes and Services for Seniors. It says the following:

"During the last election, the Liberals pledged to raise annual funding for homes by \$6,000 per resident, or by \$450 million a year. The Liberals acknowledged that this was the amount needed to ensure an appropriate level of care after years of funding neglect.

"But after two provincial budgets, they are less than a third of the way to their commitment. The total increase in funding per resident is little more than \$2,000."

Would that be a correct assumption on the part of the Ontario Association of Non-Profit Homes and Services for Seniors?

Hon. Mr. Smitherman: No, it wouldn't, for two reasons; firstly because of this reference in their press release to "the Liberals." If you look at the Liberal Party campaign platform, there is no reference to \$6,000. And on the issue of their calculation, I think they have decided not to take into consideration the amount of resource that the government has taken unto itself to pay in terms of progress toward the commitment we made on eliminating the co-pay. So there are many dollars that they are well aware of that they're not taking into consideration. I reject overall the calculation that they're working on.

What I know for sure and what I'll be able to tell my constituents, what my colleagues will be in a position to tell their constituents and what you'll be in a position to tell your constituents, is that the long-term care sector in the province of Ontario is receiving tremendous new resource to address issues that we share a concern around in terms of the quality of service being provided there. But it's not only about money. The initiatives that we've undertaken are also about improving accountability and helping to change the culture in these long-term care homes with a view toward ensuring that our most vulnerable Ontarians are receiving the care, support and love that they require to thrive to the best of their capacities. We're going to continue to dedicate ourselves to that, and I'm proud of the progress that we're making.

Ms. Martel: OK. But I go back to the point that this was in a campaign leaflet put out by a Liberal candidate. I have to assume that that was an election promise by the Liberals unless someone was freewheeling on their own, which I doubt.

Hon. Mr. Smitherman: Does that not happen in your party? It happens in my party.

Ms. Martel: I doubt that someone would freelance and say, "\$6,000," without having a problem with the Liberal Party and being a candidate. I highly doubt that.

You talked about co-payment. I think that neither the Ontario Long-Term Care Association nor OANHSS would consider the essentially inflationary amount that is being covered through the co-payment as increasing direct care to seniors. That essentially was the promise you made, that it would be \$6,000 in additional care for

every resident. Paying the inflationary portion of the co-payment isn't going to add a single body in a long-term care home to provide additional care. Alternately, paying the tax portion of long-term care facilities back to municipalities is again not going to provide additional care to those residents who were promised \$6,000 worth of additional care.

Let me get a comment from you for this fiscal year, because an announcement of about \$28 million was made in money that goes to the per diem for long-term care homes—so actually into an allocation for increased nursing services. Where is the balance of the \$264 million in long-term care that was announced in the budget? What makes up the difference between the \$28 million that will go into additional care and the balance of money that's been announced in this budget?

Hon. Mr. Smitherman: The deputy can provide you with more detail on that. That's obviously about our ongoing commitment to seniors in the form of expanding the long-term care sector. But unlike you, I kind of figure it out like this: If I'm in a long-term care home and all of the sudden increases that in every other year in every other environment I've paid are rolled back—in other words, I'm not asked to pay them, even acknowledging that there is inflation in those environments, and instead the government steps in and takes that cost onto themselves, and therefore my pocketbook is freed by that amount of money—I'm going to consider that as an opportunity to enhance my quality of life.

Ms. Martel: How does that take in additional care? Am I going to go purchase their additional care now with that money?

Hon. Mr. Smitherman: Maybe a quality of life measurement for someone is the ability to give their grandson a Christmas present that they hadn't been able to afford over a longer period of time.

Ms. Martel: But it's about the promise that you made for additional care, Minister, not about Christmas presents. Come on.

Hon. Mr. Smitherman: Again, I'm pretty sure that there were NDP candidates in the last election that called upon the nationalization of income, and some people in your party might have left that behind.

But you're using a campaign leaflet. Our party's platform did not talk about \$6,000. So you and Donna Rubin's insistence on it aside, the reality is clear and it's the same. If you're in a long-term care home in the province of Ontario today, you're receiving a better quality resource and support than you were when our government came to office.

But we're not done yet. We have more work to do. Some of that is legislative, some of it is regulatory that falls out from that and some of it is about what we seek to do to enhance the culture and the quality of care that's provided there. At the time of the next election, people will hold us accountable on those things, and I'm quite certain that, based on the progress that we've made so far at improving the quality within the existing sector and by enhancing access by putting more beds in place, people will recognize that as a government we've moved for-

ward in a fashion which recognizes the complementary nature of health care services, and that long-term care has been enhanced and broadened.

Ms. Martel: Let me go back to the breakdown, which I'd like to get from the deputy. Let me go to a very specific election promise that was also made by Dalton McGuinty that has to do with reinstating the levels of care. Previously, under our government, there were at least 2.25 hours of hands-on nursing care in regulation. That was cancelled by the Conservatives. Before the election, your Premier wrote to SEIU and promised that, if elected, the Liberals would reinstate the 2.25 hours of hands-on nursing care to ensure that residents would get the quality of care they need. Can you tell me why your government still has not reinstated the minimum 2.25 hours of hands-on care that was promised, let alone increasing the level of care, given the need by so many residents and so many facilities?

Hon. Mr. Smitherman: I think two points bear repeating. The first is that, as a government, we have moved forward to re-regulate, if I could use that phrase, some minimum standards. Progress has been made on those points, which is widely acknowledged. And there is not entirely a consensus on the point with respect to telling front-line health care providers, whom we ask every single day to exercise judgment on our behalf, what kind of hourly allotment is necessary.

The whole case mix index that we spoke about before is designed to reflect the nature and acuity of people's circumstance. Associated with that and the management and the professionalism of those people who administer our long-term-care homes, is the expectation—you can pretend to be able to micromanage everything from head office but the reality is that on the front lines in health care delivery, we have extraordinarily well-informed, well-educated and well-intended people delivering care. We've made important progress toward these minimum standards but we also have a lot of confidence that those people who are on the front lines of health care are exercising good quality judgment and are seeking to provide the best quality of care possible to the people who are in those environments. So we've made good progress there, but, like I said a couple of times already, there are lots of areas where we can identify opportunities for more improvement.

Our mandate is but half done. I remain confident that by the time the next election comes around, people who are looking at long-term care, as you've said on a single-issue basis, will recognize that our government has substantially made progress in a wide variety of areas. Like everything else in health care, there will always be opportunities to do more.

The Vice-Chair: The time has expended. We will now move—

Hon. Mr. Smitherman: Mr. Chair, could I beg your indulgence for another one of my short little runs down the hall.

The Vice-Chair: The Chair recognizes the government side and you can take time. We're going to have a couple of minutes of recess here.

The committee recessed from 1512 to 1515.

The Vice-Chair: We're back in session. I have sort of an administrative question that's been brought forward by Ms. Martel, if you'd like to address that concern.

Ms. Martel: Thanks, Mr. Chair. I appreciate the indulgence of the committee.

I understand the committee is scheduled to finish at 4 today. I am just asking whether people might be in a position to sit longer. My request is because, as a health critic, I was due to sit in the committee hearings tomorrow for Bill 101, which is on newborn screening, and that's due to start at 9:30. We will have about three hours still to go tomorrow, which is causing a bit of a problem in terms of scheduling for me to be in that committee or to get someone into that committee. I understand that even if we go till 5, that will only take out another hour and we will still have two, but if we start at 9, I can get most of my questions done. I just put that out. I know people are busy and maybe have an expectation to finish at 4, but I don't know if there's any appetite to sit a bit longer or not.

The Vice-Chair: Are there questions or comments on the suggestion by Ms. Martel that we sit till 5 today, which would advance the whole thing?

Ms. Di Cocco: I understand. It's just that it's been a long day, and we knew what the time was. That's my response: It's been a long day.

The Vice-Chair: Any further comments?

Mrs. Witmer: I can certainly appreciate the dilemma being faced by Ms. Martel, and I would certainly be pleased to sit longer if that's going to help them deal with the situation that she's just explained.

Ms. Di Cocco: The time has been stated, and it was made clear to me that there was little appetite to make any changes in the times allocated.

The Vice-Chair: Very good. Is there any further debate?

Ms. Martel: I didn't realize it was going to be such a problem. I think we've been pretty good to give the minister some leeway here today. I'm not suggesting that it's an hour, by any stretch, George, so you don't have to look like that.

Hon. Mr. Smitherman: I don't know what leeway—because I went to the washroom?

Ms. Martel: There's been more than one break here today, which has been fine with me.

Hon. Mr. Smitherman: For goodness' sake.

Ms. Martel: I'm not suggesting for a moment that that has taken an hour or that we should do a tit for tat. For goodness' sake, I'm trying to sort out a scheduling problem because the committee this morning started later than we were supposed to. It did.

Hon. Mr. Smitherman: As a non-member, is it appropriate to speak, Mr. Chair?

The Vice-Chair: No, it isn't, actually. The committee members are discussing it.

Is there further debate? If not, I'll call the question on whether or not we extend hearings today for an additional hour.

Ms. Martel: I didn't put it as a motion; I just asked. That's fine, Mr. Chair, don't worry.

The Vice-Chair: It sounds to me, with the will of the committee, that the majority does not feel it's appropriate that we extend the hearings for an additional hour today.

I recognize Ms. Di Cocco.

Ms. Di Cocco: Thank you, Chair. One of the probably interesting aspects of the transformation of health care is the local health integrated network that is evolving. In the discussion of how we are going to use this geographic governance model that is being created, there are questions, certainly, that have been posed to me about the notion of being able to—we have a referral centre in Sarnia that goes to London, and there's a constant questioning or interpretation of this local health integrated network being a containment of health care. I'd really like clarification. My understanding has been that this is a governance model that is going to have many different responsibilities. That is one aspect of my question, about the role of this geographic area.

1520

The other one is if it will have a role in evolving or changing what I perceive and has been perceived to be a fragmentation of health care delivery that we have in the system. It's those two aspects.

Hon. Mr. Smitherman: If I don't nail the first part of your question well, I hope that you'll rephrase it. I think I got a sense of where you're coming from. I had the privilege of being in your community shortly after I was named Minister of Health. We had that big round table. I remember lots about it, but the thing that I took away more than anything else was the hardship that's being faced by people in Sarnia who are travelling to that referral centre because they're diabetic, and that the absence of satellite dialysis services in Sarnia stands as a hardship.

I believe that local health integration networks and the capacity to actually collect data that links up to a set of patients is going to create a strong argument not just for what services need to be created in local communities but, over time, for some of those services which might have accumulated, if I could use that word, at these larger centres, that I think we might actually be engaged in a debate that looks for opportunities for some of those to be repatriated to local communities. I actually think that the local health integration network is going to assist the people in Sarnia, in your area as an example, to make a stronger case for those inadequacies that are existing around health care.

On the containment piece—I'm not sure this is what you were getting at, but let me just say this: I try to say, in the story with my mom, that these are not impenetrable boundaries for patients. What we seek to do is create a discussion within these established boundaries, looking at the patients and the population health of the patients to say, "How are we doing at meeting the needs of the patients in those areas, and how can we do better?" As part of that may come the conversation to say, "You know what? There's enough need demonstrated here in

Sarnia to have these services provided in Sarnia, and perhaps some of that capacity is to be found in other places where they're already travelling to get those services." That's the best way that I could answer that, I think.

You used the word "fragmentation." I hear the word "fragmentation" used most often in the health care context as it relates to the fragmentation in delivery of community-based mental health services. I use my own riding as an example, the place where we sit today. Toronto Centre–Rosedale is a pretty dynamic place, and there are a lot of social services being provided there, and there are a lot of people with underlying needs. There are dozens and dozens of community-based mental health and addiction organizations in my riding, funded by the same Ministry of Health and Long-Term Care. There has been no dynamic to date—none whatsoever—to bring those health care providers that are operating in the same geographic area, probably in some cases in the same street, to come together and say, "Who are you serving? Who are we failing to serve? What gaps exist, and what could we do better to coordinate our services in a fashion that addressed those gaps?"

Some people get tired of the idea that we can do better with the same resources that we have. The more I'm around this place, the longer I have the privilege of holding this role, the more what I call low-hanging fruit I see, like the stories that I told you before about the MRI. When we asked the right questions, we found that there were MRI services that are not being operated appropriately, efficiently, in our province. Similarly, I'm quite convinced that if we create the dynamic, the table, if you will, where a new kind of conversation takes place that involves health care providers and population health-based information, we will create a very strong dynamic that can address some of the fragmentation that occurs.

Maybe it sounds overly simplistic when I celebrate the idea that local health integration networks are already powerful because they create a new story in the newspaper, a new way of telling the health care story, or because initial time is being spent by the leaders of these local health integration networks meeting with health care providers, and this sounds to some people like I'm trying to make something to be more than it really is. But I think it's fundamental to the culture that we're seeking to create, which is a new kind of discussion and conversation and one where people from the local area closer to the action are there, helping to make really hard decisions but with their local patient base and health care providers in mind.

The Vice-Chair: Dr. Qaadri.

Mr. Qaadri: Minister, I'd like to ask you a question and ask if you might be able to share your vision on a problematic area that I encounter on a regular basis, and that is, of course, internationally trained medical graduates.

As a graduate of the University of Toronto medical school myself, I'm relatively sheltered from this particular area, but nevertheless, constituents I interact with,

both in riding and out of riding, often bring the plight of IMGs—international medical graduates—to my attention.

What I'm asking is, would you be able to please summarize, in a hopeful manner, your vision and the direction of this government: what is it we inherited, where are we now, and what does the future hold? Of course, in this question, no doubt you'll have to touch on numbers, examinations, placement, the effects on the overall health care system, and so on. But I would, with respect, ask that you not take refuge in acronym-laden bureaucratese or mere numbers, but actually outline your vision. The reason I do this is because I would like you today, for this committee and others, to empower me personally and also Ontarians on this file.

Hon. Mr. Smitherman: Well, you take away my use of acronyms and I'm pretty much useless.

Here's the way that I answer your question. I'm going to pick up on your use of the word "vision" at the front end. A few things: Let me try to connect them well. Firstly, let's acknowledge something that doesn't get acknowledged every day: 25% of all the doctors practising in Ontario are foreign-trained doctors. Go to any community; they're there. They're very prevalent, as an example, in Sudbury.

Part of the difficulty that we have on this issue, maybe the most candid observation I can offer and one that I don't think is ever going to go away, is that I believe it is always going to be possible for the news media to tell a story of a foreign-trained doctor who meets barriers that they cannot overcome to practise in our province. So the much-trotted-out story of the pizza driver and the taxi driver I doubt very much is ever going to go away. That is because we need to acknowledge that, while there's much more that we can do, there will be circumstances in our province where people who have received their medical education in other places cannot satisfactorily achieve the very high standard that we have in our province. Nobody wants to see any watering down of those very high standards, but at the same time there's a great degree of sympathy for the idea that people are being left on the shelf when they could be providing service. That balancing act is a very difficult one.

We sought, as a government, to do a variety of things to ease the flow, if you will, of international medical graduates to practise. We've more than doubled the number of spots available, and today in Ontario we have made quite a lot of progress. If you look at what we're doing versus other jurisdictions in the country, we're doing an awesome job, notwithstanding the fact that it's still fraught with challenges for many individuals. We've more than doubled those opportunities, and that's allowing the production line to grow and for more of these doctors of tomorrow to make progress that way.

The other thing that we're finding is that, of those who meet with success in being able to access these residency spots, many are requiring a greater degree of training and upgrading than would have been anticipated at the front end.

1530

So I give you some sense of the challenge that we're facing, but the underlying message that I would send is this: We have quite dramatically increased our access. We're benefiting tremendously already from the contribution that foreign-trained professionals and foreign-trained doctors are making. We have an untapped resource that we have not yet fully taken advantage of, and we have much more work to do in terms of further analysis and streamlining of our process so as to reduce barriers wherever we can.

Then we have another obligation too. Depending upon their age and the amount of additional training required for some and the necessity of more immediate income-generating opportunities, some people will choose to or be forced to consider other options. One of the things that we have done, with the Ministry of Training, Colleges and Universities, is create bridging programs to other health professions and also create a program to assist people in improving some of their standards around language, as an example, which also proved to be a barrier.

All these things taken together mean to me that we have a very positive outlook. We're providing new opportunities for more people all of the time, but we will continue to struggle against the storyline, because not all of those foreign-trained doctors who have been granted the right to practise in other environments are going to be able to make it through, from the standpoint of their time or their capacities, all of the filters, if you will, that are there before we send someone out to the critically important work of providing direct patient care.

The Vice-Chair: Mr. Milloy?

Mr. Milloy: I only have a few minutes, so I'll be very quick. My last question was very community-specific, and now I'm going to go to a more general question about health care as a whole. The recent Supreme Court decision dealt, obviously, with a specific situation in Quebec, but has been interpreted as possibly undermining health care as we know it and creating a two-tier system. You touched on it briefly in your opening remarks, but if you could respond as to how Ontario is dealing with this ruling and will deal with it as it moves forward.

Hon. Mr. Smitherman: Let me say two things and then say a bunch more.

The first thing I want to say is that our government's commitment to medicare is well established in our bill the Commitment to the Future of Medicare Act. We remain committed to the view that Ontario and Ontarians are well served by a universally accessible, publicly funded system of health care.

It's a bit counterintuitive, but the word that I return to most often related to the Chaoulli decision is "validation." This decision started as a case seven years ago about a hip, or, more to the point, about the inability of a public system in Quebec to deliver that hip in a timely enough fashion, therefore leading the person who needed it replaced to say, "It's inappropriate to prohibit me to purchase insurance for a service that you're not providing in a timely way." This is a Quebec dynamic.

The reason I use the word “validation” is that it is very important to acknowledge that this is Ontario and not Quebec. We ran on a commitment to reduce wait times, hips and knees being one of those places where we focus our time and energy. Accordingly, we’ve been putting additional resource into the health care system to address one of these challenges, which we know is going to get worse as the population ages.

There’s no doubt that the Chaoulli decision has inflamed the debate, and it has offered, if you will, the opportunity for those who view more private care as the panacea to put up their hands and say, “Me too.” But I don’t think it has done so much to inform the debate in a way that gives us any new solutions. Private delivery of health care in a universally accessible environment is nothing new. In the province of Ontario, something like around 30% of the care that we deliver is delivered that way. Many of the elements of the health care system that perform, at least on anecdotal testing that I do with people, perform well. An example would be a breadth of diagnostics around independent health facilities or a lot of the lab work that we do. There is already a broad amount of private, for-profit care that is delivering universally accessible benefits.

We don’t see it as a panacea, but we see the storyline that’s there as validation of our government’s commitment to reduce wait times and to recognize that associated with the principle of public health care should be quality. In a certain sense, we’re on a mission of what I call continuous quality improvement. Accountability, transparency and creating the opportunity for people to be involved in that discussion, through initiatives like public wait times and through the Ontario Health Quality Council, I think are going to be Ontario’s contribution to this discussion.

The Vice-Chair: With that, we’ll move to the final rotation. Each side will get eight minutes. We’ll start with the opposition.

Mrs. Witmer: It’s very interesting, Mr. Smitherman, to hear your comments now acknowledging that there’s a lot of private health care in the system already. When our government had the courage to acknowledge that if we were going to meet the infrastructure needs of hospitals in the province, we’d set about taking a look for private funding, I can remember the fearmongering that took place. In fact, I have some quotes in here about some of the comments that you and your Premier made about these deals, and about private MRI and CT scan clinics, and how you were going to eliminate these deals. I’m glad you’ve seen the light and that you do acknowledge that as long as it’s funded through the OHIP dollar, we need to make sure we can provide these services to people in Ontario and also build these additions and new hospitals that are so desperately needed in our communities.

I want to go back just briefly to where we started today. We’ve heard a lot about wait times, and certainly we haven’t seen much action other than wait times. I want to remind you that not only was it our government

that put the Cardiac Care Network in place, we also established the Ontario joint replacement registry in 2000 which, as you know, actually did collect data on full wait times; that is, from the initial visit to the family doctor, to the specialist, through surgery, with the goal of providing timely access to hip and knee surgery and improving patient outcomes.

The reality is—and I think that people in the province of Ontario need to be aware of this—that you have now decided to eliminate this Ontario joint replacement registry. There are many in this province who feel that you want to control the data so that you can meet whatever wait times you might put in place. I think it’s important to know that the orthopaedic surgeons oppose your move, and the service providers, such as the Ontario Arthritis Society, are opposed to your decision to terminate the Ontario joint replacement registry. They’ve all said that valuable outcome data are going to be lost, data that are going to help reduce surgery and wait times for hip and knee by reducing revision surgeries. I think if we take a look at what you’ve said today and what’s actually happening, there is a big gap between action and word. I hope that you will seriously consider not eliminating the Ontario joint replacement registry, which was very well supported by the provider agencies, the public and the surgeons.

My question is about what you’re doing in the area of the Ontario drug programs. There’s very little time. You’ve recently appointed Helen Stevenson to head your new drug secretariat, I understand. I don’t know; I’ve not seen an announcement on it. I don’t know who she is and nobody else seems to know who she is. I’m not sure what her operating budget is for the new drug secretariat; maybe you could tell me. Maybe you could tell me what her salary is, and also what she’s going to review.

Can you also guarantee that whatever you are doing in the way of taking a look at the drug program, you will not income-test, introduce user fees or reduce access to drugs for people in Ontario. I guess that’s the guarantee that people are looking for, because we’re not quite sure what’s going on here.

Hon. Mr. Smitherman: There are two parties in the Ontario legislature, and the Liberal Party is not one of them, that have on their record a history of reducing the amount of money available in the Ontario drug benefit. In case you haven’t figured it out, your party was one of those. There’s a lot there. The deputy may want to pick up on a little bit of it.

1540

Firstly, with respect to where you started, we improved your deals. William Osler and Royal Ottawa are both arrangements that were quite significantly improved due to our government’s involvement.

To the point about MRIs and CTs, we’ve made quite a lot of progress at reducing wait times on these things because we’ve brought them together. In other words, we made sure that MRIs and CTs, no matter where they are located, are working as part of a system, and we’ve increased capacity by 42%. We were in a situation where

private MRI clinics—you know, an MRI is not an MRI. There's a difficulty level, if you will, that affects costs related to the kind of MRI service you're providing. There was no disincentive—in fact, there was a perverse incentive there for private providers to cherry-pick and do the easy services, leaving the more difficult ones to the public environment. We're very interested in the idea that when you have a system, when you want to use that word, they operate in a complementary fashion.

You made a very impassioned defence of the joint registry. I had the chance to meet with the orthopods and I understand the concern around loss of data. There will be no data lost; we've made that commitment. I think maybe some of your information was a month or two behind—

Mrs. Witmer: No, it's very recent.

Hon. Mr. Smitherman: —because it has been an evolving issue. But it's interesting that you've come to the defence of something that—you live in Kitchener, so maybe tomorrow you could tell me what was the waiting time for a hip in Kitchener under the joint registry that you funded. Maybe you could tell me that tomorrow.

The surgeons kept this information in their pocket. It was not information that came together all in one place. While it was very valuable information, and therefore we've made sure that we will maintain it and that it will be there for the longer term, it is not information that was made available to Ontarians or even to those people whom we pay to run our hospitals.

With respect to drugs, there can be only one observation drawn from the estimates as relates to our ministry, and that is that the government in Ontario continues to advance on the idea that it's essential that we provide appropriate drugs to people to allow them to experience the highest possible quality of life. The resource that we've put behind this I think stands as an apt demonstration of our government's commitment. Helen Stevenson is certainly there, working within the ministry to address a variety of challenges and opportunities that exist related to the drug strategy. We'll be forthcoming on more of that in the period of the next perhaps three to six months, and I look forward to being engaged in a discussion at that point with the honourable member.

I would just say that today, I think it was, or perhaps yesterday, CIHI put out data which makes a very important point to Ontarians—and I think we should be celebrating this in a certain sense—that in Ontario, we have the highest per capita support for drugs. It's quite far advanced over that in other jurisdictions and I think stands as an apt demonstration of our government's commitment to provide people with the drugs they need to sustain the highest possible quality of life.

The Vice-Chair: Thank you, minister. That's all the time. We now move to the NDP.

Ms. Martel: I'd like to get the details, if I might, of the balance of funding for long-term care this year. The budget has an announcement of about \$264 million. About \$28 million of that is to increase per diems in

long-term-care homes. Can I ask what the balance of the funding is going to be allocated to?

Mr. Sapsford: We'll get a detailed breakdown for you tomorrow, but I can give you some of the major components of that. As you mentioned, the \$28 million is related to general increases. Other amounts for pay equity, about \$19 million. The annualization cost of the \$191 million that you referred to earlier is also part of that increase. Then about \$90.5 million is related to the opening of new beds in the system. There are some additional amounts which I'll clarify for you tomorrow, but those are the large components of it.

Ms. Martel: Thank you, Deputy. I appreciate that clarification and look forward to that information tomorrow.

Returning to the minister, with respect to the government's promise in the election to reinstate minimum hours of care, this commitment was very clear in a letter of June 11, 2003, signed by Dalton McGuinty. It was a response to a questionnaire that had been put out by the Service Employees International Union, many of whose workers work in long-term-care homes. The question was, "Will your government establish a minimum number of care hours nursing home residents must receive on a daily basis? If so, what should the number of care hours...be?" The response was, "Yes. Ontario Liberals are committed to reinstating the standards of care for nursing homes that were removed by the Harris-Eves government—including minimum 2.25 hours of nursing care daily and three baths per week." That was the promise that was made.

To date, there has been a regulation change that allows for two baths per week. There has been no regulation change that would implement standards of care. Those same workers who you talked about in the last rotation who are very much trying to provide quality care and doing the best they can are the same ones who are now saying that we should actually be having a minimum standard of care of 3.35 hours. Those workers include workers represented by ONA, SEIU and CUPE.

I would ask again, is it the intention of your government to live up to the election promise and reinstitute a minimum standard of care, and what would that minimum standard be?

Hon. Mr. Smitherman: Hansard will reflect that I've already given a fulsome answer on that question. I don't want to belabour people's time by repeating it all. It's there in the last rotation.

Ms. Martel: Maybe I'll just ask it a different way. Is it your intention as a government to reinstate minimum hours of care in long-term-care homes? Yes or no?

Hon. Mr. Smitherman: I already told you that we've made considerable progress on improving the quality of care for residents in long-term care. Associated with that has been the adoption of minimum standards in some areas. I'm the first to acknowledge that there's more progress to be made around those things, but I'm not in a position as it relates to my estimates today to be able to give further indication of where and when that will be forthcoming.

Ms. Martel: Can I ask when you will be in a position to give an indication?

Hon. Mr. Smitherman: Perhaps at estimates next year.

Ms. Martel: It sounds to me like you're not really interested in living up to that election promise, Minister. That's the only conclusion I can draw from your answer.

Hon. Mr. Smitherman: You can draw your conclusion. Substantially, Ontarians will be in a position to draw a conclusion; that is, that our government's commitment to the quality of life for those living in long-term care has been dramatically improved as a result of our coming to office. That is reflected across the breadth of the work we've done through Monique Smith's report, to work we've done to improve the culture in long-term care, the minimum standards we had begun to reinstate and the clear investment we made to bring more than 2,000 additional employees to the provision of service for these very same residents.

If you want to keep asking these questions in a political or electoral context, I give you this assurance: As I stand here nearing the mid-term point in our government's first mandate, I remain very confident that as we go to the electorate, long-term care will be one of those things that we very proudly talk about in terms of the commitments and the improvements we've made, while acknowledging that across the breadth of health care there are always opportunities to do more, but we are operating in an environment where we've got to consider a wide variety of priorities. I think Ontarians will appreciate that we've made investments across the breadth of health care, recognizing the interdependent nature of a variety of these services.

Ms. Martel: I would just conclude on that point by saying it's interesting, Minister, that two of the three regulations you said you would reinstate you have; the third with respect to minimum standards of care remains outstanding.

Just on the issue of quality and improvements made, I have a copy of a letter that was brought to my attention. It was given to one of your colleagues, Mr. Parsons, MPP, on August 26, with respect to the change in the number of baths per week. I found it particularly worrisome and I wonder if he's brought it to your attention. I'll just quote the relevant section. It was from the Service Employees International Union and it says the following:

"SEIU Local 1 has found no evidence that any extra staff have been hired to provide for the extra bath requirements. In fact what is occurring is greater use of"—and it's in quotations; their words, not mine—"bath in a bag." There is no basin or water used. There is simply a damp washcloth. In many nursing homes the flow sheets will indicate, this constitutes a bath. In other homes a quick morning wash and dress is now categorized as a sponge bath and again the flow sheets will indicate this constitutes a bath."

I was particularly concerned when I saw this in terms of the regulation change that was made and what might

be one of the consequences of that in terms of what might actually be happening in long-term-care homes. Can you tell me, Minister, if Mr. Parsons brought this to your attention, since it was written to him, and has the ministry had any kind of investigation into the concerns that were raised by this local?

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Hon. Mr. Smitherman: As a result of the initiatives we've undertaken, there's a 1-800 hotline that people should call if they have concerns like that, and I would encourage people to do so. I believe that this phone line, and I'm working from memory here, has dealt with 9,000 or 16,000 calls. There's a new protocol in place that sees each of those triaged and investigated appropriately. So if people have an allegation or a concern like that, sending a piece of correspondence to a place that gets 200,000 pieces of correspondence is not the way to deal with a matter that's timely for residents. They should call those 1-800 action lines. I know them to be effective.

The second thing I would just say is—

Ms. Martel: Just before you go on, can I ask what happens if a staff person calls that hotline? Does their concern actually get responded to, or does it have to be a resident?

Hon. Mr. Smitherman: I'm not sure there's a requirement that people have to identify who they are, so I think that's irrelevant.

Ms. Martel: Can I get some clarification on that, please, Deputy?

Hon. Mr. Smitherman: Yes, we'll seek that out.

On the issue of whistle-blower protection, that's something we'll have a chance to visit as our long-term-care legislation comes forward.

Just another observation, for what it's worth—and I don't know whether anyone else has heard this as they visit long-term-care homes. I was at an event not so long ago with the Premier, where some long-term-care residents who are aged and fragile felt that the imposition of the minimum standard was an imposition on them, that as a result of a minimum standard that says two baths a week, they were being forced to have baths they didn't want to have. It doesn't negate the view that this is still an appropriate standard, but it does help to make the point that residents too have a voice around these things.

What we've sought to do is create more vibrant resident and family councils as part of the culture we seek to create, so that there is a voice within these various long-term-care homes that can ensure that where there are concerns around the way care is being delivered, those things can be addressed in an environment right inside the home. It stands as one more example of where imposing a regulation from government, which takes away the capacity of front-line health care providers and patients to be engaged in a conversation about their care, does have implications. Again, I'm proud of the regulation we introduced; I don't seek to change it at all. But I have heard directly from residents in long-term-care homes that some of them are being hustled off for baths they don't prefer to take. So I think

that there are different considerations that come into play as you get frail, and I think we need to have a system that recognizes these things too.

The Vice-Chair: Thank you very much, Minister. I think that concludes that part. Now we'll move to the government side. The Chair recognizes Mr. McNeely.

Mr. McNeely: Minister, I'm very pleased about the announcement of the family health team, together with Ottawa-Vanier. There are four communities in Ottawa-Vanier and one in Ottawa-Orléans where a family health team will be set up through the resource centres and service the francophone community. We're really looking forward to the announcement of the next applications.

We have a doctor shortage in Orléans, and I think that when you talk to people, it's throughout the province. The history of doctor shortages, of course, goes back to medical school enrolments in the 1990s. You were telling us this morning, on page 22 of your introductory remarks, that the people we're getting in the system now, we're not going to see until 2010 or 2011, so the doctor shortage is probably going to stay. The leveraging of doctors through family health teams seems to me to be an excellent method of looking after people. We went, on pre-budget, with the finance and economic affairs committee through some northern communities where whole communities were looked after by nurse practitioners, and that seemed to be working well. So we hope the family health teams continue.

Basically, what is the general status of the 69 that are already announced, and when will the new applications be coming out? We're very interested, and I'm sure a lot of communities across the province are interested in making new applications.

Hon. Mr. Smitherman: The first thing we have to acknowledge is that because the production line for a doctor—I often say it's not like producing a pizza; it takes longer than 30 minutes. Accordingly, communities across our province are paying a price for a decision taken in the NDP days that was slow to be responded to by the Conservatives. The NDP like to blame the federal government, and it's true that in the final days of Mr. Mulroney's government the idea was circulating that one of the things we needed to do to address increases in health care costs was to shrink our medical schools, and the NDP did that. For a period of five years in our province, we went with reduced medical schools. The Conservatives did increase those sizes again, but not until three years into their mandate. We're only now starting to see those doctors produced as doctors out on the front line of communities.

We should be careful not to lose sight that there is some good news to celebrate. We licensed more doctors in Ontario last year than in any year in the last 20. It's a reasonable sign of progress, but obviously it's not the whole thing. Family health teams are therefore an important part of our government's plan. You used the word "leverage," and I think it's a good word. As I said before, a doctor working in a group environment—not just grouped with other doctors, but in a multi-disciplinary

environment—has the potential to service a greater number of patients than one who works in a stand-alone practice. A nurse is more than able to provide support to a new mom who takes her baby back to be weighed. A doctor should be there, of course, if the baby is experiencing challenges that require their attention.

Ontario communities and Ontario doctors: 1,400 doctors represented in 213 applications gave us a pretty good sign that the model we had developed of family health teams is a good one. We continue to be met with a great deal of enthusiasm. Progress is being made on each of the family health teams that has been announced. They are at different states and some of them were more formally evolved than others, which has allowed us to develop a series of quick wins. But the bottom line is that we're moving forward on these family health teams now. We're working very hard to give them the resources that they need to plan and to implement their plans, which means bringing on additional health service providers. We will be announcing a subsequent 30 family health teams in the coming months, and then we will have a third-wave application call, where we will open the application process back up because there are communities that have become interested in family health teams but did not get an application in on the first round. Then we will make that final wave of announcements subsequent to the close of that application process.

A basic message is that we're on target to introduce 150 family health teams to the province of Ontario. We think that this is a model of health care that is the future of health care delivery. It seems to be well reflected in the support that we garnered in our recent agreement with the Ontario Medical Association, especially from the young doctors of tomorrow. I think 97% of them voted in favour of our agreement, and central to our agreement was the principle of restoring the vitality of the comprehensive family practitioner.

Speaking a bit more particularly about the family health team in eastern Ottawa, the one that is in your riding: It takes a number of physicians and brings them together with nurse practitioners and other providers to dramatically enhance the number of people who can receive care. The quality of care that they're likely to receive will be very high indeed because it's a little bit like one-stop shopping; that is, you can see the appropriate provider in the same environment, and I think that's why this is likely to become a standard for the evolution of primary health care, not just here in Ontario but in other parts of our country.

Mr. McNeely: Just a further question, if I have time. The conditions for the doctors working within family health teams: We've heard of possible salary capitation. Are those job conditions, hours of work—that's what the doctors are asking us now—is that evolving as we get closer to getting these set up?

Hon. Mr. Smitherman: I think that a primary element of attraction for doctors—sometimes I talk to a stand-alone doc, someone who's working as a sole practitioner. Their quality of life seems a little bit like yours

and mine in the sense that there is an on-call nature to it. We meet with people who have a hard time being able to leave their communities to go on holidays because the burden of providing care has emerged in such a way that they don't have any teammates to work with. That's why group models of care have evolved, and the interdisciplinary approach is a very significant improvement on that. And why so? Because we need doctors who get to go home at night and spend time with their families. We can't continue to work on the principle that it's appropriate to ask a doctor to work 80, 90 or 100 hours a week, as some of them are currently doing.

The idea that you're working in a team environment where the circle of care is broader and—I don't like to use the word "burden" too much, but where the challenge of providing care to people is extended and where more hands on deck lightens the load for all. This seems to be a very important point that has made the family health team model one that a lot of doctors have said they want to be part of.

The Vice-Chair: Thank you very much, Minister. That ends the time. This committee will stand adjourned until 9 o'clock tomorrow morning.

The committee adjourned at 1600.

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Mercredi 28 septembre 2005

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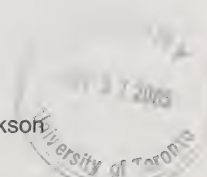
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LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
ESTIMATESCOMITÉ PERMANENT DES
BUDGETS DES DÉPENSES

Wednesday 28 September 2005

Mercredi 28 septembre 2005

*The committee met at 0859 in room 151.*MINISTRY OF HEALTH
AND LONG-TERM CARE

The Chair (Mr. Cameron Jackson): Good morning, ladies and gentlemen. I'm pleased to call to order the standing committee on estimates. We welcome the Honourable George Smitherman, Minister of Health and Long-Term Care, and his outstanding deputy, Ron Sapsford.

Interjections.

The Chair: For the record.

Ms. Shelley Martel (Nickel Belt): I think you're being set up, Ron.

The Chair: No, not really.

I'm going to exercise a prerogative of the Chair. I'm going to change the rotation. We have completed five hours. We have three hours remaining. It is our intention to be done today by 12 o'clock. We will need four or five minutes prior to 12 in order to pass the votes, but since I need to vacate the chair in order to ask some questions, Ms. Martel has graciously agreed to begin her 20 minutes. It will then revert to the official opposition and then to the government.

If there's no problem with that, we'll proceed. Ms. Martel, you have the floor.

Ms. Martel: Thanks, Mr. Chair. Minister, I want to just return to the line of questioning I was on when we ended yesterday, and that had to do with me raising a concern about information brought to my attention by SEIU with respect to bathing regulations.

Just to be clear, the reason I raise it with you is, I am concerned that there are some owner-operators who are essentially undermining the spirit and intent of the regulation. It's not an issue of trying to accommodate the concerns of some residents who may say that they don't want to have two baths a week; it is a situation where operators, owners of homes, are directing staff to essentially provide bathing by way of a damp washcloth versus a real bath and that they're being ordered to do that. I think that's a much different thing than trying to find an accommodation with a resident who really doesn't want two baths a week.

I raise it with you in the hope that during some of the unannounced inspections that ministry staff are involved in, some questions will be raised with the staff and

owner-operators and indeed with residents about what is happening in this regard. The regulation was passed. I don't think any of us want to see it undermined, and that was the context within which I raised it yesterday. So I hope that some information/direction can be given to inspectors to have a look for this when they are next doing unannounced inspections in homes.

Hon. George Smitherman (Minister of Health and Long-Term Care): We're happy to take that advice, but I would just say as well that if it's the desire—yesterday, I said that we have worked pretty hard to enhance our compliance capacities to streamline those processes and to be able to ensure that calls that come into the hotline are followed up on. We're taking that bit very, very seriously. We'll certainly take a good look at what we do as relates to unannounced inspections, but as you've raised a particular case, it would be our instinct—the deputy would send that one through the system, if you will, and get them to take a look at it more particularly.

As I had a bit of a chance to say yesterday, some among that frail population are not enjoying the idea of two baths a week and some of them are preferring other modes that would provide for their needs. This I've heard from them first-hand, but as you've raised one that is rather specific, we'd like to send it through our system and get people to go in and take a look at it. Why wait for an unannounced inspection? We have capacity now. Let's take advantage of the concern that's been raised and go and take a look at it.

I'm not sure if the deputy has any more on that.

Mr. Ron Sapsford: No. Just after the session, perhaps if I could get the information, I'll follow up on it.

Ms. Martel: That would be great. I've heard it at a CUPE conference as well that I spoke at two weeks ago. So it came from both SEIU workers and CUPE workers. It would include a fair range of homes, actually.

I want to go to recommendations that came from the Casa Verde inquiry. The coroner's jury and those recommendations were released, I believe, in April—about 85 recommendations made with respect to a very tragic circumstance in a home in Ontario where a resident was responsible for the death of another resident. I want to know what the ministry's public response is to the recommendations. It was a lengthy inquiry. A broad range of issues was canvassed and some very significant recommendations were made in terms of staffing, funding, changes and training. Is the ministry going to be

publicly responding to the recommendations, and can I ask when that will happen?

Hon. Mr. Smitherman: The ministry response will be reflected in the long-term-care legislation. I know that you've been critical at times of the delay in bringing that legislation forward, but it was in fact in part measure having this Casa Verde inquest coming with a significant degree of recommendations that we thought it was very appropriate to make sure we gave those an opportunity to influence the development and presentation of a bill on long-term care.

I think that in terms of the response to those recommendations from the inquest, the long-term-care legislation, which will be forthcoming this fall, is the place to look for influence. I'm not sure, Deputy, if there's anything you want to add to that.

Mr. Sapsford: Yes. We have followed up on a number of the recommendations, particularly in the area of training and education, and new training programs are being developed for staff in long-term-care homes to better handle this kind of resident. The more difficult recommendations were with respect to creating specialized units, and that's a piece of work that is going to take a bit longer. But staff are looking at the policy implications of that: how those kinds of units would be implemented, what the cost implications of those would be. So that's a piece of work that is still ongoing and will take a little bit longer to come to a conclusion.

Ms. Martel: OK. Just so I'm very clear, Minister, you said the response will essentially be seen in the development of the long-term-care legislation or the final outcome, and, Deputy, that you're looking at the specialized units. Is it your intention to have a more formal—"announcement" is probably not the word I'm looking for—response to indicate these are the recommendations that have made their way into the bill, these are the pieces that are outside that are policy changes we intend to move on? Is it your intention to respond in that way?

Mr. Sapsford: There was no plan to have a separate formal response to the recommendations at this moment.

Ms. Martel: You know what? I would just encourage the ministry to consider that. It was a very important inquest. It had a significant degree of union involvement in terms of workers on the front lines who have concerns. I think if the ministry is looking at responding fully and significantly to the recommendations, it would be a good idea for you to actually do it that way. It would clearly show that you're responding. I think that would be positive for the ministry.

Let me ask one final thing in this area, and that is about the classification model. Is the ministry considering a new classification model for standards of care, and if so, when it might be implemented and how it will affect the funding envelopes?

Mr. Sapsford: The answer is yes, we are looking at a new classification system. The current system was based on the Alberta model, which has been used for quite a number of years. The evaluation tool was focused almost exclusively on nursing. In long-term-care homes, there

are many other factors to take into consideration as one weighs the requirements for resources.

We've been working on a new tool. I think the letters are MDS. I'm not sure what that means, but it's a much more extensive monitoring tool to measure all areas of the patient care environment, the resident environment. It's a more complicated tool technically; it requires more data to be collected and analyzed. We're in the process of working through the details of the data and trying to track the results of that information to outcome standards. At the same time, in the compliance system, we're looking at a much more specific enumeration of the outcomes of care that we're looking for so that compliance inspections in the future can focus more on outcomes than process in the home as care is provided.

So those are the two major activities that we're undertaking now. I hope that before the end of this fiscal year we'll be in a position to conclude whether or not we're moving to the new tool and will have had, by that time, an ability to assess the impact on resource requirements and how that information would affect the current funding tool.

Ms. Martel: And there may be an implication on training of staff?

Mr. Sapsford: Yes, there may be.

Ms. Martel: And so the minister will have to consider how that's funded.

Mr. Sapsford: Correct.

Ms. Martel: Very good. Thank you.

I have some questions about proxy pay equity that come from the estimates book. I'm just trying to be clear on the employers that are affected in the sector. The first question I have is on page 127. It's the indication of \$28 million for proxy pay equity. It looks like it's coming out of both the long-term care side and community-based programs. Assuming that the employers covered would be those in the long-term care sector, are there any others we should know about? I'm not sure who's the best person to answer.

0910

Mr. Sapsford: I believe it's mostly in the long-term-care sector. I believe some of it as well is in the community health sector.

Ms. Martel: So community-based mental health agencies or community—

Mr. Sapsford: I can get you the specifics. I don't know specifically which agencies. Any that had negotiated agreements are represented in the number.

Ms. Martel: Can I just give you some other questions that run from there? Then, when you can get some responses for me, that would be great. It doesn't have to be right now.

The other place where I saw it identified is on page 107. It's a \$53-million proxy pay equity. Again, if I could just be clear on the employers that are involved, and if I've missed any—I think I got both sets where I saw "proxy," but is there any other section in the estimates where proxy is noted? If you could just give me the total proxy pay equity that was paid by the ministry, I'd like to

get it over some past periods, if you don't mind: 2003-04 and 2004-05, for the same sectors that I referenced in these estimates, please.

Mr. Sapsford: OK.

Ms. Martel: Great.

I wanted to ask some questions about home care. I know Mrs. Witmer asked if money had flowed to CCACs, and I had seen that announcement in my own riding, so I know that had taken place. I had questions about changes in home care regulations, because one of the promises that was made was to change regulations that had been put in place by the Conservatives which essentially limited home care hours for clients, even if they might require more, particularly for special needs children and special needs adults; secondly, the requirement that you had to have a basic personal care need in order to get homemaking services, which is certainly in effect in our part of the world.

I would like to know if there have been regulations made under home care that would eliminate that restriction on home care hours, and secondly, eliminate the condition that in many CCACs you have to have a basic personal care need before you can get homemaking services.

Hon. Mr. Smitherman: I think that on this one, we had the opportunity at the moment, through the review we're doing of the recommendations that came forward from former health minister Elinor Caplan, to take a look at these other regs. We have some limitation on the resources that are being put into home care as they relate more specifically to the health accord federally. I'm not sure whether that might constrain progress on these regs, but that would be the place we would be looking at, that we would bring forward any necessary reforms all at the same time. So we would be reviewing those regs in that context.

Ms. Martel: I'd make a pitch for changes in both, particularly to end any restrictions that might be in place to offer homemaking services to people unless they have a basic care need. There are many seniors I know who don't have a basic personal health need that has to be met but who could sure use a lot of help with laundry etc. in order to stay in their own homes.

Hon. Mr. Smitherman: Just on that point, yesterday I attempted to make a point—maybe I didn't do it well. I do acknowledge that sometimes it's hard to know how to characterize that, because over time the basket of services in home care has evolved quite a lot, to focus, I think especially because of federal dollars, on post-acute; in other words, the focus on trying to shorten hospital stays or keep people out of the hospital. Accordingly, I think some of those easiest to provide and most necessary for seniors, those services that support them for what I referred to yesterday as "aging in place," have been diminished.

In other parts of the ministry, though, we've worked to marshal \$25 million in each of the last two fiscal years to enhance the quality of the kinds of supports that you're speaking about. Yesterday I referred to Meals on Wheels as an example of that, and also drives to appointments,

which many of the community-based organizations—like SPRINT here in Toronto, as an example, or Mid-Toronto Community Services in my own riding—are very involved in.

There are lots of areas—I've had a chance over the last five hours and a bit to talk about where we would all acknowledge it would be better to have more resources, but I think this is one where I'm happy and proud that we've been able to put some additional resources into what I call community support services.

I understand exactly where you're coming from in terms of the regulation—this is something that we can take a look at—but I just wanted to make sure that you knew that we had dedicated in each of the last two years \$27.5 million, I believe, in 2004-05, and \$25 million this year, to enhance those community support services. The ministry is operating on the expectation that in each of the next years, we will continue also to build on those community support services.

I'm not pretending that we're meeting needs. Obviously, those needs are growing quite considerably, and this is one of those areas where dedication of additional resources would be very beneficial. In that context, we can also take a look at the regulation and see if that would be helpful in the piece. So I'd be happy to do that.

Ms. Martel: There will be some added fiscal implications for the ministry, obviously, if you made that change. On the other hand, what you see happening, at least in my own riding, is people who got cut off two years ago now having to go into a long-term-care home, when really, with a little bit of support for laundry services, for homemaking, they would be able to be maintained in their own homes. In terms of the cost of a system, it's a whole lot more.

Hon. Mr. Smitherman: I wouldn't want to prejudge an outcome. We'll take a good, hard look at it, but we should be operating on the assumption that if we were to make a regulation change that might necessitate an adjustment within existing fiscal resources—I just don't want to pretend that I'm going to be in a position, necessarily, to be able to change a regulation and accordingly expand the amount of resource available. It may be that a regulatory change would have the effect of redistributing some of the resource.

It's important to note that we are continuing to make investments in home care and we are going to continue with that path. It's one of the most essential things that we can do. So that may give us some additional opportunity to consider the reg. change that you're recommending. Anyway, more to follow, but I get where you're coming from and I agree that this is an area where we could and need to do better.

Ms. Martel: When will you be responding formally to the Caplan report?

Hon. Mr. Smitherman: I must tell you that we probably have a date around that. I suspect that the best answer is the fall, but I'll be entirely forthright in telling you that my major briefing on this—in other words, the response to this—I think is tomorrow. In other words,

I'm still somewhat at the early end in the ministry context of reviewing and giving direction and moving forward on the recommendations. So I'd say we're targeting the fall, but I would just reserve the right to tell you that, because there are a number of things going on across the street, I can't promise exactly when we will be moving forward publicly on that. It is under our active consideration, starting with a briefing that comes either tomorrow or Thursday—tomorrow is Thursday, so I think it must be tomorrow.

Ms. Martel: One final question on home care: Your colleague Ms. Papatello had a great deal to say about Bill 130 when we were in opposition, and Bill 130 of course remains in place, which set in motion some really direct control by the ministry over CCACs. It was certainly a promise by both of our parties that we would repeal that because of the enormous ministry control over some of these, which should be community-based agencies. Is your government going to repeal that legislation?

Hon. Mr. Smitherman: I'm not going to respond directly to your use of the word "repeal" of that legislation, but I will say this: We continue to support the idea that community care access centres, that the provision of home care services, should be a community-governed asset. You'll see our government's intention to move forward in that capacity coming forward.

Ms. Martel: I think "repeal" was the word she used, but that's all right.

Hon. Mr. Smitherman: I don't doubt it.

Ms. Martel: I don't think; I know.

Hon. Mr. Smitherman: I'm just not sure that, in the way we will respond to this, "repeal" is the word we'll use. But in terms of the intent of restoring community governance over community care access centres, this is something that our government continues to support, and you'll see progress on that forthcoming.

Ms. Martel: A couple of questions in the community health sector: Has the money that was announced for community-based agencies gone out to them?

Hon. Mr. Smitherman: Yes. We worked very hard this year, in almost all instances—

Ms. Martel: Before we got here.

0920

Hon. Mr. Smitherman: No, not just before we got here, but we actually were working on a view, each year, to try and improve how quickly we flow dough. Most of it we tried to get out the door by June, which for the Ministry of Health is pretty fast. I'm pretty sure that's one of those where we met that test. So, yes.

Ms. Martel: Can I ask, what does the increase represent in terms of percentage to the base? Do you have it broken down in that way?

Hon. Mr. Smitherman: I think it was 1.5%.

Ms. Martel: In terms of being 1.5%, does that deal with the pressures that community-based agencies were still facing trying to maintain their existing programs and to deal with their waiting lists?

Hon. Mr. Smitherman: What it does is it gives them a continued path of additional resources each year, albeit

at a rate that no one would pretend gives them a tremendous amount of capacity to expand programs. If we look at the record of provision of government resources to these sorts of programs over the past 10 or 15 years, they have not enjoyed a consistent contribution from the government. It was on again, off again. What we seek to do, even in an instance where our fiscal resource is quite limited, is continue to maintain our commitments across the breadth of health care sectors so that nobody gets back in the position of losing considerable ground. We use an example very often, and I used it again yesterday, of community mental health, where we saw no increase I think from 1992 or 1993 through almost 2003—for 10, 11, or 12 years. It's a modest amount—no one's arguing otherwise—but it is designed to recognize that we as a government are committed to these services, and accordingly we're going to make sure that, even in tight fiscal circumstances, they aren't allowed to slip back.

The Vice-Chair (Mr. John O'Toole): Thank you very much, Minister. That concludes that time.

We'll now move to the official opposition. The Chair recognizes Cam Jackson.

Mr. Cameron Jackson (Burlington): Thank you, Mr. Chair.

Minister, in this 20-minute segment I would like to pursue issues with respect to the Ontario drug benefit plan with section 8 drugs. I wondered if whichever staff member responsible for that is here, so I could ask some specific numeric questions.

Hon. Mr. Smitherman: If you want to ask the questions, the deputy now will take a stab at them, and then we'll see what help we need.

Mr. Jackson: It's my understanding that about 75% to 77% of all applications for section 8 are approved. Is that true, according to the recent report, and what is it that we're spending on section 8 in this province?

Hon. Mr. Smitherman: We can bring some of that information forward. I would just want to give the member a little bit of context on the issue of section 8—

Mr. Jackson: My question isn't about section 8, Minister. I was just wanting to determine the amount of money within the ODB budget that is devoted to section 8s.

Hon. Mr. Smitherman: In your first question, you didn't ask about the amount of money, so I will take a look at it. Do you have those numbers, deputy?

Mr. Sapsford: Yes. With respect to the percentage of approved: In 2002-03, it was at the rate of 75%, and in 2003-04, it was 72%. It varies year to year, but it's usually in the 70% to 75% range.

Mr. Jackson: And the amount of money that that represents? The only number I have is that the top 10 drugs amount to about \$93 million.

Mr. Sapsford: I'll find that number for you.

Mr. Jackson: Thank you.

Minister, I'm trying to understand why we have section 8 coverage for oral medications, including cancer-based oral medications, but we do not have a policy or an access point for Ontario patients for intravenous-ad-

ministered drugs that are outside of the ODB or outside of coverage. In other words, Minister, we seem not to have a section 8 kind of access point for patients in Ontario simply because the medications they seek are administered intravenously.

Hon. Mr. Smitherman: I'll allow the deputy to offer some view on this as well. The context that I wanted to give the honourable member just a second ago—because we talked just a tiny bit yesterday about some of the work that we've got going on back at the ministry. We've created a drug secretariat headed by Helen Stevenson, and we've been working very hard internally on a variety of initiatives that we're gathering to come forward within a period of the next three to six months.

Part and parcel of the mandate that she has been given is to take a good, hard look at the entire section 8 situation. You know this stuff very well. This, which I think started—my numbers may be slightly wobbly here, but they'll be pretty close in orders of magnitude. When section 8s began in 1995 or something like that, there were 5,000 or 6,000 of them. Last year there were, I think, close to 150,000 of them. I think that's a pretty sure sign that a program that was intended with one set of conditions or what have you has evolved to be something different.

So I wanted to work to give you the best answer that's available at the moment. Just to let the honourable member know, one of the things that I'm very, very keen to be able to do is to remove the burden associated with section 8 from doctors and from patients to the greatest extent possible. I think it is possible, in an environment with appropriate prescribing guidelines and the like, to give more responsibility and onus to clinicians to be prescribing appropriately and therefore to remove some of the administrative burden.

Deputy, do you have anything more specific to the question?

Mr. Sapsford: Your characterization of intravenous drugs, I think, is the point that you're raising. Typically, intravenous drugs are administered in hospital, and as technology changes, we're more and more able to administer these drugs in outpatient and non-hospital settings. So I think the difference is between the drugs that are administered in hospital or in formal cancer clinics versus ones that are able to be administered on an outpatient basis.

Mr. Jackson: That brings me to the concern I have. You have established, and I have raised the issue, that we have a gap here in our system where cancer clinics have no mechanism by which they can approach the Ministry of Health to have coverage for certain of these drugs.

The drug I want to raise with you today is Velcade, which is a relatively new drug of the last two years with a very successful pathology attached to it. It is for persons with multiple myeloma, which is a cancerous condition that attacks bone marrow cells.

I have four constituents who are currently queued up and seeking financial assistance with this very costly medication. I've spoken to George Petrunas rather ex-

tensively, and I wish to quote from a note that he has shared with me that sums up some of his concerns:

"[M]y immediate priority is to acquire Velcade, which is an intravenous-administered chemotherapy drug used for battling multiple myeloma, a bone marrow cancer.

"Velcade may give me an extension to my life as my protein levels are rising unchecked.

"Princess Margaret Hospital (and Joseph Brant Memorial Hospital) does not have the funding to administer this medication for me or other patients.

"The only means for me to access Velcade now is to acquire it via the private clinic Provis and pay for this medication out of my own pocket.

"I received an invoice and one cycle will cost over \$10,000 with payment requested up front. Up to six cycles may be required."

He quotes from Douglas Emerson, a very interesting individual and again a constituent of mine, who was successful in acquiring Velcade from this government.

Doug Emerson, in his article, identifies a couple of issues. First: "The ministry's hospitals branch, headed by branch director Peter Finkle, commented there is a gap in the system that prevents a patient from applying for emergency access to an IV drug under review for funding." Secondly, "There also is a panel of experts, the Drug Quality and Therapeutic Committee, that reviews the eligibility of drugs for funding. Velcade has been under review since February by this subcommittee, which reports to the drug programs branch of the ministry.

"Policy changes are best addressed by the Ontario Hospital Association and other boards...." He goes on to say that he doesn't have the clout.

He closes by saying, "I have to deal with an immediate human need to prolong my life." So he is focusing on his care. He has asked myself and others to approach the government with a series of questions as to why this condition exists.

So, Minister, I guess my first question is: Why is it taking so long for the drug therapeutics branch to do the review of Velcade when it has been approved and is being paid for in three provinces? It is approved and available on a section 8 kind of format in the remaining provinces. Why is Ontario still not able to approve Velcade for funding? I don't think its medical analysis is questioned here. I think much of this has to do with its financial implications for Ontario. I've raised a lot of questions, but I suspect the minister understands this issue very clearly.

0930

Hon. Mr. Smitherman: I think there are two or three things that are really important to reference. Obviously, any time we're dealing on a constituent basis with someone who sees a product that is on the market somewhere in our global environment, boundaries and jurisdictions are sometimes viscerated by technology. But I think that we must recognize that in an environment where new drug product, and perhaps more particularly new cancer product, is going to be made available on an almost daily

basis, so it seems, we have an obligation to ensure that we're acting in an evidence-based fashion. Accordingly, we rely on the DQTC to give us advice around that. They have been actively reviewing Velcade, to the point where they have requested some additional information a couple of times from the company.

I can tell the honourable member that over the course of the last while, we have sought to enhance Ontario's provision of necessary cancer drugs. This has caused a more than doubling of our new cancer drug budget. We're going to continue to use evidence-based processes to help determine which products have appropriate efficacy so as to be able to make them part of our arsenal, if you will, in assisting our patients in Ontario in battling cancer. Velcade stands amongst those.

As for other jurisdictions, you'll see, on a case-by-case basis, that different jurisdictions are able to treat different product in different ways. We have a reliance here on the evidence-based, through the DQTC, and that work is ongoing.

Mr. Jackson: With all due respect, Minister, the point I'm raising here is one of time. I've never challenged the efficacy of the DQTC. I have, however, on many occasions challenged the length of time that it's taken them to arrive at a decision. You and I went through this process a year ago when I pursued a series of questions on the floor of the Legislature for a cancer drug involving a significant number of Ontario residents. What I want to stress to you is that this drug has been approved all across Canada, but we still, even if we approve it, have a gap between the Ministry of Health hospitals branch and the ODB, because we've got people—your own Mr. Peter Finkle has indicated that this is a gap in the system. So it really does come down to the costs associated with this drug.

Doug Emerson, in his extensive letters to some of us in public life, seeking our support, has referenced this. He says the following:

"The results of treatment"—of Velcade—"are that for the 35% of patients who respond well, the drug can prolong their life by a year or two.

"In other words, the province is trying to figure out whether a year or two of life is worth \$40,000. As a general guideline, the province uses a benchmark of \$50,000 per quality assisted life-year (QALY) as the measuring stick by which drugs are included or excluded. Why that benchmark does not appear to have been applied to this review remains a mystery...."

Mr. Emerson's research has brought him to raise this significant question because he has been tracking the DQTC's approval of drugs and their cost implications to the ministry. You have appointed Helen Stevenson, and we anxiously await her work. But it's our understanding that she is just, at this moment, drafting the consultation guidelines that will be released. Her report won't be released in three or four months, to be fair, Minister, and I'm not being critical of that; it's important that she does this. In the 21 years I've been here, I've seen four or five reviews of the drug program, so I want to make sure that

you're given sufficient time to do it right. But I do not want to see Velcade held in abeyance while we wait for Helen Stevenson's input, or for the DQTC to be looking at the cost implications of this drug.

The drug has a high efficacy rate to it. Incidentally, this drug was discovered by a Canadian. All the trials were done in the US. They took palliative care patients, people who were at the end stages of this disease, and the recovery rate was as high as 12%—that's complete recovery. So this is a very powerful, significant new cancer drug on the market, which every other province has allowed their citizens access to, and yet we have created these gaps and impediments. With all due respect, Minister, you are in a position to accelerate the research and the work being done by the DQTC. You did that last year when you and I were locked in a debate about a drug for non-Hodgkin's lymphoma. So could you please respond to the questions raised by Doug Emerson with respect to the quality-assisted life-year benchmark, and why it's not being followed with this drug.

Hon. Mr. Smitherman: I can't refer to all of what you put in the record there because some of it was quite speculative and some of it was attributing language to a product around which I depend on evidence and science-based analysis. I think I need to make that distinction. The deputy may have some words to offer to follow up.

I take the member's essential point, which I think is related to timing on Velcade. The challenge that we're at, or that the DQTC is experiencing with Velcade, is that they have in their review asked for additional information from the company that has not been forthcoming in as timely a manner as might have been helpful. So we can continue to impress upon people the urgency associated with this, which ought to be apparent, but I understand that some of their challenge has been in receiving the information that they've requested from the company in a timely way.

For my part, I very rarely get myself involved in characterizations of benefits associated with drug product, because sometimes in the effort to sell, if you will, to encourage the support for a product, we run the risk, it seems to me, of eliminating the appropriate balance of science and the evidence-based element of it, where we have the capacity to measure consistently. I know that in a circumstance where a product that is out in the marketplace somewhere might look like it offers some level of benefit or hope to me and I'm in a situation where I need some source of hope, I'm going to want such a product. But of course, we have an obligation to make sure that these decisions are evidence-based, because the amount of product that is available, some of which is quite often of marginal benefit, is a real challenge for a publicly funded health care system. I'm not sure if there are other points that the deputy might wish to address.

Mr. Jackson: Minister, for the record, the science around this drug—Dr. Adams at McGill University received the Nobel Prize for his work in this drug.

I want to set aside the science. That is not the issue here. The issue here is whether the state is willing to pay

for a drug with as high an efficacy rate in other jurisdictions—maybe Ontarians won't respond to cancer treatment as well as our fellow Canadians in other provinces, but the truth is, it has about a 35% efficacy rate in terms of abating the progress of this disease. There are remission rates attached to this. For the record, this is a drug that has been used extensively across Canada and throughout the United States, and there is a wide body. I have on many occasions experienced the rebuttal from all manner of governments in the past with respect to the issue of still waiting for additional information. This is a system that can frustrate itself to an economic conclusion. That, in my view, is inappropriate.

My time is almost up, and I do want to raise one question, and this is a practice that is now occurring in our province. As you know, there are private cancer clinics operating in Toronto; Provis is one of them.

0940

Hon. Mr. Smitherman: Where are the others?

Mr. Jackson: That's the one that I'm aware of.

Hon. Mr. Smitherman: You said there were others.

Mr. Jackson: There are private clinics operating in Ontario, like Provis, which is a cancer clinic. There are private clinics.

Having said that, there are cases that have been brought to my attention where people are going into a pharmacy and buying the drug Velcade, and then going into hospitals and having the drug administered. My understanding is that that is not legal under the Canada Health Act. I would ask you if you've had a chance to put your mind around that issue and if you're going to address that. I think it is part of this larger issue of the gap in getting our hospitals to come up with a program. Some hospitals are not turning away cancer patients who come with this intravenous medication but allow it to be administered in a clean, safe oncologist-supervised environment. I'll leave you with that question and you may wish to respond. But to my knowledge, if that is going on, that's an added reason why we should be responding to this particular drug at this time.

The Vice-Chair: Thank you. We've run out of time. If the minister would like to respond as part of a future question, that would be great. From that, we will move now to the government side.

Ms. Caroline Di Cocco (Sarnia-Lambton): Minister, the topic I'd like to broach has to do with my interest as a mother, and now as a grandmother. The world of newborns is something that I certainly lived for a number of years. We've come a long way from the time, for instance, of my mother's era, when she had very little medical attention when it came to the care of newborns, and then from my days when I took care of my children, and now, with this wonderful world that I live in as a grandmother of two very small children. I've always been interested in the inroads that we've made with the miracle, for instance, of premature babies and other areas of medical science when it comes to newborns.

For me, the whole topic of newborn screening has always been something that I've watched very carefully,

seeing how we've progressed. Even when I was in opposition, it was something I certainly noted. I watched with interest when one of our colleagues—I think it was Dwight Duncan—brought forward a private member's bill that would enhance the province's newborn screening program.

I go to the core: Newborns can't lobby. With the previous government, it always astounded me when I saw that there was very little attention. We lived in an era that really was not about building programs in a way that would enhance some of these areas. I know this is a very specific area. I know it has come up again in the media and certainly in discussions.

I know there's so much that has to be done in health care, and there are a lot of competing issues all the time. In this area, what we've inherited certainly wasn't ideal when it comes to this specific sector of newborn screening. I would like to know what progress we've made in upgrading newborn screening.

Hon. Mr. Smitherman: I want to thank the honourable member for the question, astonished as I am to hear that she's a grandmother. You just keep getting younger.

A few things on this: Yesterday we had an interim report, I think, from the Ombudsman on the issue of newborn screening. The report gives all of us who are legislators some opportunity to reflect on this issue. I think it's fair to characterize it as an opportunity missed for quite a long time and an opportunity now being seized upon.

There are partisan points to be made, if people choose to make the debate that way. I would just say, as I did yesterday on another item—I can't remember the topic—that some of the circumstances we have are the inherited capacity of our health care system that we all own. If there was a committee going on and I was at the committee, I'd be taking a partisan angle, because I'd say, "Nice of you now, John Baird, to catch wind of the interest in this issue, but you just came off being government for eight and a half years, when all of the same progress that we are now making was possible."

These issues have been around for a long time. It doesn't stand out as part of the collected, inherited institutional capacity—I don't think these are the best words—of the Ontario health care system. What we inherited was a circumstance where Ontario was in last place in terms of taking advantage of all the technology offered to test newborns, to screen newborns against a series of things. Blood disorders are one of those, as an example, where we still have more progress to be made.

Here's where we're at. First, I make this commitment on behalf of the government of Ontario, and it's one I repeated to my Premier yesterday: We will take Ontario from worst to first. We have already made a big leap forward in terms of the decisions we've made to go from testing for two diseases to 21. We've already made that leap forward. That will require some period of implementation. We have to buy tandem mass spectrometry machines. We have to have them installed, and because the nature of the calibration of these machines is so

precise, the ramp-up is not as immediate as anybody would prefer. But the message must be sent from this place, because it seems like it hasn't been done well enough so far, that we've made the first big leap forward and we are not done yet.

I had a chance in the last set of questions with Mr. Jackson to talk about evidence-based and, accordingly, on a variety of things we wish to do at the Ministry of Health, we require some scientific evidence and recommendation. So we had a group of people who came forward and gave us advice that allowed us to make the big leap from two to 21. We have similar groups doing work now to give us advice on what next steps are appropriate.

The bottom-line message is, and this is from a government that—I think of all the things we are really, really proud of. One of those that I know people really felt good about was our capacity as a government to dramatically expand our vaccination program. I view this newborn screening in a very, very similar way. While I think it's appropriate to acknowledge—and for anyone who doesn't wish to, the Ombudsman's interim report yesterday puts it out there plain and simple. This has been a missed opportunity for a long, long time around this place. No one's hands are clean, in a certain sense. We all enjoy some of the accountability associated with too little progress. We've made the first big leap; we have more to make, and by the time we are done, I give the honourable member and all Ontarians the assurance that it is our government's complete intention to move Ontario from worst to first. We expect that in a jurisdiction like ours, a sophisticated, progressive jurisdiction, on an issue like this, related to the most precious resource we have, these itty-bitty babies, we have an obligation to make sure that the beginning of their lives is as positive as possible.

If I could just say one word about this: There is one person in Ontario who has done more to apprise me, to cajole me, to prod me—there are probably three or four more words, and if I follow the hierarchical trend there, we'll get toward unparliamentary—and that's John Adams. John Adams was my opponent in the last election. He brings a great deal of personal passion and knowledge to this issue. I expect that before very long, I'm going to be able to look him the eye and say, "We got this done," recognizing that the opportunities to have gotten it done faster were there for all of us, but we're going to make up lost ground on behalf of newborns in Ontario.

0950

Ms. Di Cocco: There's a saying that I learned a long time ago, "The best time to plant a tree was 50 years ago. The next-best time is now." So I'm glad to note that we're moving forward on this.

I have to tell you that there's nothing better than holding a newborn, especially as a grandparent. It truly is an amazing experience.

I want to shift to another topic. When I was elected in 1999, probably the most urgent issue that came up had to deal with the supports in mental health. I would say that

during that mandate in opposition, it was a constant issue with mental health support systems and mental health services. I met with our local mental health agency, and it was just a constant cry for this invisible, if you want, illness. It truly wrenched my heart greatly when I saw that the assistance we should have been providing in the community didn't seem to be available.

The question I have is with respect to mental health. I'd like to know what progress we're making in that capacity, because for a very long time I certainly felt the outcry from the patients, but their families as well, when it seemed that their services were just not there when they needed them.

Hon. Mr. Smitherman: I think it's fair to say that mental health hasn't over the last 10 or 15 years in Ontario been a shining example of consistent commitment. Everybody recognizes that there are always lots of pressures, but the thing that I was taken by was the tremendous consensus that existed between doctors and acute care hospitals about the extraordinary challenges they faced in their practice and in their hospital environments in meeting the mental health needs of people because of the sheer inadequacies of capacity at the community level.

I used the expression yesterday that I'm so keen on using that says that we inherited a circumstance where community-based mental organizations hadn't seen a penny of new money since before Bob Rae's hair turned grey. I told Bob Rae recently that I said that; he didn't seem too pleased about it. But it really, I think, helps to make the point that for a long time, when all of us know people in our communities, in our families, who need some help, who need someone to talk to, we let a lot of folks down. Our investments didn't keep pace with obvious needs. We made up a fair bit of ground in a couple of years. I think there are lots of areas where we have tons more to do, and this is one of them. We haven't satiated all the needs; that's for darned sure.

But in 2004-05, we invested \$65 million in community mental health services. Examples of the services that we were able to enhance related to that included the development of 11 new ACT teams. I know we have one of those functioning in Sarnia, as an example, where we recently provided about \$200,000 in additional funding. We really sought to try and create more of a mental health system where people with mental health challenges had some sense of connection to an agency with things like case managers or crisis response.

We're trying to also develop on the idea of accountability, that organizations that are providing these services should be connecting quite closely to individual clients, getting to know them on a name basis and taking some of the responsibility, along with those clients, of trying to enhance their quality of life. So we've brought other resources to the fore to try and package these up. That included 500 units of supportive housing targeted specifically at people with mental illness. It's not the housing but the word "supportive" that is essential there, not thinking that people are going to be in a position

necessarily to be able to sustain housing independently in the absence of support. So we tied these things well together.

We put more than 61 mental health workers in the courts. One of the things that astonishes me is the rate of incarceration. In health care, we talk about trying to limit institutionalization, i.e. limit the number of days in a hospital, because this is the most expensive place to care for people. And then there are jails. The reality is that a lot of people who go before a judge and have a mental health challenge are being remanded into places like the Don Jail, which is not going to be so good if you already have a frail state of mental health, even if the nature of their involvement with the criminal justice system was very minor. A lot of times, they're homeless or they have no place, so the criminal justice system has been putting them in jail. We've seen something like a 37% increase in terms of those people institutionalized in the criminal justice system who have underlying mental health challenges. So we sought to bring resources there.

In 2005-06, we committed another \$58 million to continue with the expansion of those services and to continue to support at the community level those mental health organizations. I think we have about 353, going by memory. That gives you a sense that there's a lot of them, and we've given annualized base-funding increases to those organizations in addition to those other investments in each of the last two years.

Overall, what we're on target to do is, in a period of four years, offer expanded mental health services to almost 80,000 Ontarians. Is that going to be all? No. I think that there's more that needs to be done. We've been working aggressively on the divestment of some of our psychiatric hospitals and a variety of other initiatives, but I think that this stands as pretty good evidence of our commitment to try and improve the quality of life for those with mental health challenges and, at the same time, offer resources in a health care system that are upstream and preventive, rather than waiting for an acute incident to occur that might see a person hospitalized or otherwise institutionalized. So it's really very consistent with our whole agenda to drive resources to the community level.

The Vice-Chair: The Chair recognizes Mr. Wilkinson.

Mr. John Wilkinson (Perth-Middlesex): Good morning, Minister. There are two questions that I have, and I wonder if you could share this with me. I've always told people back in my riding, which is a very rural riding, that we have a Minister of Health who is actually the MPP for Queen's Park. So you don't get any more Toronto than that.

Hon. Mr. Smitherman: I'm from Etobicoke.

Mr. Wilkinson: But your mom's from Ravenna, so that's good.

One of the things that we've talked about—you know, as a government, you've been struggling with this and showing leadership in the need to have community-based care, to get people closer to home, and also to drive

through a change in regard to integration. One of the things that I've noticed personally and something I've shared with you is the fact that in rural Ontario, where communities by nature have had to struggle together, they have developed innovative programs which we think are quite forward-thinking, models that can be used right across Ontario.

There are unique challenges in rural Ontario, and problems, but I think there are also some solutions there that have been developed at the local level about integrating care. I was just wondering if you might be able to comment about that, then. We spent a lot of time talking about the challenges, but I think there are some great examples of solutions in rural Ontario that you've been able to see. How do we export that ability throughout the whole province?

Hon. Mr. Smitherman: There are two or three ways that I can answer that question, and some of it might be a little repetitive from some of what I spoke about here yesterday.

Firstly, I know that Dr. Basur is here. If we look, as an example, to the public health unit in your area, I think it has a long-standing reputation as a public health unit that has been progressive, on the forefront of initiatives to try and improve underlying health.

But I think, in a certain sense, I'm going to approach it more as a philosophical question, and there are two things that I'll point to that reflect our government's philosophy. Yes, I represent downtown Toronto. I'm proud of it. I like to come out to the farm country too, and I enjoy the vastness of Ontario and all of its experiences. But what I have come to learn about community is that there is no one right answer, and sometimes government is well-intended but still ends up being a bit ill-conceived in the development of policy that is one-size-fits-all, that says, "This is the hoop. Jump through it, or no dough."

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If you look at two things that we're doing, I think it reflects our philosophy well. Firstly, the family health team proposals: We've had at least one already successful in your community. What we said is that we're not going to be prescriptive about the model around family health teams. Accordingly, 213 applications came forward that reflected a lot of different approaches, in terms of the mix of health professionals within them, in terms of the governance model they use. Some of them are pure community-based models, looking quite a lot more like a community health centre, some of them are more provider-based models, and many of them are blended.

I think what I'm proud of is that from the very earliest days, we said we would not be prescriptive, because we have an understanding that in Ontario, the word "community" matters a great deal to us. Not all of Ontario has evolved in the same way, not all local needs are the same, and family health teams are one of those places where we sought to reflect this idea that we need to not be prescriptive and allow community to help define what it needs for itself.

Then there are local health integration networks. There are a lot of people who try to see these things as so high-minded that they can't get their heads wrapped around it very well. But in a simple sense—am I out of time?

The Vice-Chair: Yes.

Hon. Mr. Smitherman: OK. I'll just finish on this point, then. Sorry, Chair.

Local health integration networks are going to be a platform that allows a good idea that emerges in one place—a best practice, as people like to refer to it—to be disseminated more quickly across the breadth of the health care system. If something good is happening in Champlain district—a discharge; a new policy like we talked about yesterday for hips and knees, where you can get people back home and into physiotherapy faster—and one hospital is championing that model, I'm not interested in the idea that other Ontarians on the other side of the province are not getting access to that kind of model. Local health integration networks are going to be more about innovations that occur in local communities being disseminated across the province, not with a view toward thinking that Queen's Park is the appropriate place to lead on all those things.

The Vice-Chair: Thank you very much, Minister. It now moves to the official opposition.

Mr. Jim Wilson (Simcoe-Grey): Thank you, Minister, for agreeing yesterday to meet with Markdale Hospital folks and the Grey Bruce Health Services people. Today, I have a similar request around the cancer centres that are proposed for Barrie and Newmarket, or York region. As you know, the original proposal was to put three to four bunkers at each site and try and get services out to people in my riding, in the Barrie area in particular, who today have no choice but to go to Sudbury or London, and some to Toronto. What's the status of those proposals, and are you going to make any decisions on them any time soon?

Hon. Mr. Smitherman: I thought you were going to ask me to take meetings with those folks. I was going to say, "Gosh almighty, I've been in both of those hospitals—

Mr. Wilson: I'm not going to ask you to take a meeting.

Hon. Mr. Smitherman: I've been in those hospitals so many times I'm pretty sure they don't want to see me again. I can't say too much because we're obviously rolling out our capital plan, but I would want to give the honourable member this level of confidence: Firstly, I'm very excited, in the evolution of local health integration networks, at the role Barrie is going to play in Simcoe and Muskoka. It's obviously an emerging powerhouse community in our province. Its growth has been very impressive. As a kid, I had lots of chances to be around there, and to see it emerge as such a progressive and powerful community means that we need to make sure that the health care resources are reflected in that environment. Similarly Southlake, if we look at the investments that have been undertaken by successive governments there, is emerging as a very significant

service centre for our central local health integration network.

I would just tell the honourable member that we take very seriously the advice that Cancer Care Ontario provides to us around the necessity of continuing expansion of our regional cancer centre capacities. I think over a period of time the honourable member will acknowledge that appropriate progress is being made in those areas.

Mr. Wilson: I'm glad you mentioned Cancer Care Ontario, because their report is simply wrong. They didn't put enough emphasis, I don't think, on recommending Barrie. I don't think they have the right growth figures. Even Barrie doesn't know how many cancer patients are in the area, because they go everywhere, as you know. No slight against Cancer Care Ontario, but I'm glad to hear you've got a more open mind than just their report, because I think they missed the boat, frankly. I told Alan Hudson that at the time, and now at least I think he's going to try and catch up with his waiting list strategy. There's a bunch of patients there who are just unaccounted for. You'd have to look at every home address in London.

Heck, my own brother had to die in Grand River, way over in Kitchener-Waterloo, because there's just nothing in our area. That's crazy. So I thank you for keeping an open mind on that.

Hon. Mr. Smitherman: Can I just have 10 seconds on that? It's only to say that the rates of cancer growth obviously pose an extraordinary hardship for families and communities, and no one is untouched. All through the summer I'm sure that all of you, like me, have had so many really challenging circumstances. We're under a lot of pressure to continue to grow that.

Credit Valley just opened, and Oshawa is making progress toward it. We have additional pressure in a variety of other places. There is progress in Niagara. We need to make progress in Kingston and more progress in Ottawa.

The demands around cancer are really quite extraordinary, but I just want to give all honourable members the assurance that we really are working very hard to make sure—we've built a good system here in Ontario. It's got challenges, for sure, and keeping pace with the growth is tough, but we're making a real commitment toward it.

Mr. Jackson: I want to follow up further on the issue of Cancer Care Ontario's new-drugs fund and the drug Velcade. Minister, earlier in the discussion you indicated that, over a period of a year or so, the new-drugs fund for cancer was going to double. Did I hear you correctly? Because my understanding, since you and I got into this issue in substantive detail on the floor of the Legislature a year ago June, is that the 2004-05 budget, as I recall, was \$60 million and the projected costs were \$64 million. I produced a directive that indicated that there was to be pushback from the administration on drugs that come from this fund. In fact, several cancer drugs were actually delisted. Subsequent to a series of questions we

raised about Rituxan, which was the drug I referenced earlier, you did approve, in front of the media, that that budget would then go to \$75 million, which I publicly thanked you for.

My understanding—and you can perhaps direct me to the section in the estimates book—is that, this year, Cancer Care Ontario's new-drugs fund is going from \$75 million to \$85 million. I'm at a loss to understand why you indicated that somehow this budget had doubled. Those are the figures I have, and if you could help clarify that for me, I'd appreciate it.

Hon. Mr. Smitherman: If I make a misstep here, people will bail me out, but I think that the explanation is that the decision point with respect to Herceptin and two other drugs and the costs associated with that might not be reflected in estimates, but those are decisions that we've taken as a government which will have the effect of making quite extraordinary growth in that program.

On the Provis question that you asked before that I didn't respond to, do you want to hear from me on that, or would you prefer to stick with this line of questioning? If you want to come back to it—

Mr. Jackson: Yes, if we could come back to that. Can you direct me to the estimates book where the new-drugs fund for cancer patients is?

Hon. Mr. Smitherman: On page 106. Here are the numbers that I have: In 2003-04, the program was \$62.4 million, and in 2005-06, the program is forecast to be \$121.6 million. So that's nearly doubling over a period of a couple of years, which is basically what I said.

Mr. Jackson: That's projected for 2005-06? I'm just trying to look on page 106 to find out where that number surfaces.

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Hon. Mr. Smitherman: Under Cancer Care Ontario. I don't have it in front of me; I'm sorry.

Mr. Jackson: OK, I've got the page. I've got Cancer Care Ontario. Can I request a detailed breakout of this? These are your global numbers.

Hon. Mr. Smitherman: Sure.

Mr. Jackson: If I am to believe that 2005-06 is \$428 million and change, we're looking at a \$60-million change here. I want to make sure that the entire increase to Cancer Care Ontario's budget isn't just on drugs, or that—

Mr. Sapsford: We'll provide the breakdown.

Mr. Jackson: —the drug program projection actually causes some cutbacks in other areas of Cancer Care Ontario.

Hon. Mr. Smitherman: We will get you more information on that. But let me make this point clearly: While we did send a message very strongly at the point that I announced the funding related to Herceptin, Navelbine and Taxotere—I hope I've pronounced those properly—we expect that that's an investment of about \$148 million over three years. While we were proud to support that investment, I was clear in saying that these are dollars that I will be obligated to find from within my ministry's budget. I don't want to leave the honourable member

with the impression that that means Cancer Care Ontario's budget, but I do want to acknowledge very clearly that this will require some reprioritization of resource from within the ministry, because we think this is an important priority. But we would not expect Cancer Care Ontario to bear that.

Mr. Jackson: I just want to say that I believe two out of those three drugs are colorectal cancer drugs. Are they the new ones?

Hon. Mr. Smitherman: Herceptin, of course, is for breast cancer, Navelbine is for lung cancer and Taxotere for prostate cancer.

Mr. Jackson: My understanding is that you've already approved two additional drugs within that that may not—that's the information I'm getting from the oncologists.

Hon. Mr. Smitherman: Oh, quite possibly, yes. I was just relating to this one announcement.

Mr. Jackson: All right. If I can request formally through the Chair the detailed breakout of page 106, so that we can isolate new drugs, and the budgeted and actuals would be appreciated in those categories.

Minister, I wanted to clarify for the record: When I raised the question about those patients in Ontario who are seeking financial coverage from the government for Velcade, you may have left the impression, and I would like you to clarify for the record, that these patients—I think when we check Hansard, you stylized them as out there shopping for some of these miracle cures that have not been fully tested.

I want to make it abundantly clear that these are patients in Ontario who aren't shopping on the Internet, who aren't looking at ads in magazines or reading the New England Journal of Medicine. These are patients in Ontario who are actively taking treatment in this province under certain circumstances where the drug is covered, and then they're deemed to no longer be covered, and it's their oncologists who are recommending that they take the treatment.

George Petrunas: In his case, his oncologist, Dr. Reece, at the Princess Margaret Hospital, has suggested that he take additional treatments using Dexamethasone and Velcade. This is not someone who's shopping on the Internet. Angelo Banducci's oncologist has told him, "You should be on this drug." They have a moral and ethical obligation to advise a patient that their life can be sustained or that there is an outside chance of remission with this drug.

John Emerson is the same issue. I've left John Emerson to the last because he is one of two very unique individuals in our province. He actually feels a bit guilty that at age 74 he has the province of Ontario paying for his Velcade, but others aren't. The other individual we've contacted is someone who approached the oncology department after they indicated they should go on it, and the oncology department found some surplus serum in their inventory, for which they said they wouldn't charge, so they've administered. That's the information we've received. So we have two people in Ontario, to our knowledge, who have received it without payment.

I want to revisit this, Minister. The clinical evidence is very clear across Canada. What are you doing about this gap with the hospitals, which are under your administration? We cannot wait for Helen Stevenson to finish her work. She may not report until next year some time, since her consultation document isn't even coming out until this fall.

Hon. Mr. Smitherman: With all due respect, I think it would be far more appropriate for you to read back transcripts rather than continue to operate on characterization after characterization after characterization, including characterizations of science, which is something I'm not going to be involved in. I think this is a very dangerous area to proceed in the way that you're choosing to today.

I very clearly said, and the transcript will demonstrate this—you have decided to take some comments that I made and apply those to Velcade, when I was applying them more broadly to the issue of new cancer drugs. I'm trying to approach the issue in its entirety because I've been very clear in saying that as a politician, as the Minister of Health, I depend upon evidence-based processes and I do not get myself in a position—at least I work very hard not to—of making clinical analyses. I depend upon people who are at the DQTC to do that.

When the member refers to discussions on the Internet and the like, I was merely making the point that is well known. André Picard, as an example, from the Globe and Mail has been doing a very effective job of trying to help Ontarians and Canadians sort their way through this very difficult situation as it relates to new product that is available very regularly. That's why I'm very careful not to be involved in characterizations—

Mr. Jackson: Thank you, Minister. I appreciate the comment.

Hon. Mr. Smitherman: —along that line.

One other point where you were wrong that I think it's appropriate for me to be given an opportunity to comment on is that Helen Stevenson is doing work, and you have decided to create timelines related to that work. I can assure you that the timelines we're working on are far more ambitious, and I expect that we'll be in a very, very strong position to move forward within a range of three to six months.

The Acting Chair (Mr. Jim Wilson): You have about three minutes left, and Mr. O'Toole wants to ask questions.

Mr. Jackson: All right. I'll just be very brief on this point. Minister, the comments you've made today are similar to ones you made about Rituxan, and you even went so far as to say I was misleading the House with the information. I had done my homework. The science was clear. You were forced to provide additional funding to cover this drug. I submit to you that you are in a similar position with respect to this drug, or close to it. I'm merely asking you if it is not a priority for you to straighten out this gap. Your own ministry officials, Peter Finkle in particular, approved this drug for John Emerson. I'm asking you, how can you reconcile a bureaucrat saying, "Yes, there's a gap; we will fund it for

one individual in this province," and yet you remain silent in terms of how you're going to deal with it? Was it that big a mistake for Mr. Finkle to provide this life-saving intervention for Mr. Emerson, and are you prepared to revisit this issue since the oncologist says it will work, and clearly your ministry has, by providing the funding for Mr. Emerson, created a precedent here?

Hon. Mr. Smitherman: Again, you're right back into the characterization of a drug that I think is bordering on irresponsible.

Mr. Jackson: So what are you doing with Mr. Finkle?

Hon. Mr. Smitherman: I would advise the honourable member that I don't think that's an appropriate way to move forward. As I said before, we're working through the DQTC with respect to Velcade and with other product that comes forward. That's the science-based, evidence-based method that we have in this province to move forward. We have sought additional information as it relates to this product and we'll be working on the basis of the advice they bring forward to us.

The Acting Chair: Mr. O'Toole.

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Mr. John O'Toole (Durham): Very briefly, Minister, I would like to submit, because of the time constraints, four written questions: one requesting a meeting with Lakeridge Health dealing with their 300-plus layoffs, as well as meeting with the Port Perry community on the Port Perry governance issue at that site. The second one will deal with a letter that you've had in your possession since April 29 dealing with out-of-country coverage, dealing with drug treatment at the Mayo Clinic. The third one is on the issue of a young person who has had an adverse reaction to hepatitis B. It's to the medical officer of health. That letter has also been sent. The last one is dealing with the issue of community mental health, which you briefly touched on earlier, and the courts' and the police front-line services' inability to deal with community mental health in what I'd call a more civilized fashion, at great risk to those persons suffering ill mental health. I'm just putting that on the record. I will submit those to you.

The Acting Chair: Thank you. The time has expired.

Ms. Martel: I just want to return to the line of questioning around community-based agencies. Just to be clear, in the direction that was given—if direction was indeed given—to community mental health agencies, the money that was allocated, then, was essentially for base budget; not for new programming, but to support the base budgets?

Hon. Mr. Smitherman: No. They're significant new resources for new programming. That's how we're expanding services that will result in an additional 78,000 people being treated over a period of four years. So there have been base funding increases of 2% and 1.5% in the last two years and, in addition to that, significant program expansion designed to provide additional support for over four years of 78,000 clients. So continued expansion, but over four years we expect 78,000 additional clients to receive service. I did outline in an earlier answer some of

those expansions, like 11 new ACT teams—just as one example of the kind of program expansion that's ongoing—and some 61 additional workers in courts, designed to assist people with mental health, as an example. These are all new services.

Ms. Martel: Can I assume that those services will be funded on an annual basis? It's not new one-time funding for a particular project; this is going to be annualized into base—

Hon. Mr. Smitherman: Oh, I'm sorry. It's new funding to base for additional services, and escalating growth over four years.

Ms. Martel: That's factored in over the four years.

Hon. Mr. Smitherman: Yes, those programs will continue to grow.

Ms. Martel: I looked at the allocation for addiction, and it's about \$2 million for about 150 agencies, so I have to assume—sorry, this is on page 132 of the estimates. I'm assuming that's not in addition to base and it might be a couple of particular projects, because with 150 agencies it would be hard to see that as an increase.

Hon. Mr. Smitherman: No, it's a 1.5% increase—I think that's right—on base. I think the base on addictions is \$114 million or something like that, so those numbers would seem pretty accurate.

Ms. Martel: You said about 150 agencies, so is every agency getting a 1.5% addition to base? Yes, I'm seeing some nodding at the back. OK.

The additions—that would still be keeping them behind in terms of where they have been for the last number of years. I don't know what commitment they have been given in terms of trying to do a bit of catch-up. There's been catch-up that's going on on the community mental health side, not essentially on the addictions side. I wonder, Minister, if you can just outline either what direction they've been given or what your plans are to try and move some of those addiction programs out of a situation where they were essentially laying off staff to a position where they'll be able to be providing new programs as well.

Hon. Mr. Smitherman: I think the honourable member is right to touch on this as one of those areas where more resource is required. Although we separate them out for the purposes of these discussions, we do have an expectation that additional resources for mental health are capturing some of the same clients who might have addiction challenges, the recognition being quite strong that these things are often co-identified. So I think that, broadly speaking, additional resources dedicated to the expansion of mental health are going to lend some additional assistance to people with addictions, but it doesn't separate the fact that this is an area where there are obvious ongoing opportunities to enhance the amount of resource that's available. We're constantly looking for opportunities to be able to do so.

Ms. Martel: Can the ministry provide any indication as to wait lists that might be in place on the addiction side? Is that tracked on a consistent basis through the ministry, and can you advise if the funding that will be

allocated this year would essentially clear waiting lists, if those exist, on the addiction side?

Hon. Mr. Smitherman: If the deputy has anything—I don't know. I don't know what we have at hand, but that's something we could take a look into and get back to you.

Mr. Sapsford: There would be nothing immediately available specifically on waits that we would have from a provincial basis.

Ms. Martel: Are they tracked at all through the provider agencies to regional health offices of the ministry?

Mr. Sapsford: No. They would keep track of their own caseload and their own waits but I'm not aware that that's brought forward to the ministry.

Ms. Martel: For what it's worth, in public accounts a couple of years ago we looked at the issue of waiting lists and were they tracked and were they standardized. The committee at that time made a recommendation—it was both Comsoc and Health at the time—that it would be appropriate to take a look at that, partly because you could then make some more astute decisions about targeting resources in either geographic areas or underserved communities that had long waiting lists. It would be appropriate for the ministries to be in a position to do that to make some really good funding decisions, particularly in areas where there were big backlogs or long waiting lists. I just mention that again.

There was one other question that I had with respect to mental health but it has more to do with peer support, both programs and initiatives. Minister, you may have received this and you may not have had a chance to look at it, but I think all MPPs did. It was a document that was put out in conjunction between the Canadian Mental Health Association, CAMH, the Ontario Peer Development Initiative and the Ontario Federation of Community Mental Health and Addictions Programs. It came out in July and I think all members were actually given a copy. It was a very good document which essentially looked at how important consumer survivor initiatives are in communities, the research that actually is in place to show their value and their effectiveness, the very significant financial hardships that they are facing, and also made a number of recommendations about how consumer survivor initiatives could be improved.

I raise it here because I thought the document was extremely well done. There were some very important recommendations, many of which, to be frank, focus on a need for increased funding, but many of which focus on a need to really have ongoing and increased government support for consumer survivor initiatives. They were first funded under our government through Jobs Ontario. There really hasn't been an increase. Many are facing significant financial dilemmas; many have gone under. I think it would be very important for the ministry to take a good look at this important work, because the recommendations are quite outstanding and, in the long run, would benefit many of the consumer survivors who are actually requiring that support, who are able to be supported outside of institutions—I don't like to use that

word—many of whom can have gainful employment as well, with some of that additional support.

Hon. Mr. Smitherman: Let me tell you this. I'm going to garble the name a bit, but I know you'll get what I'm talking about—peer support consumer/survivor network. Am I pretty close to ringing a bell there? There's a very passionate woman who is involved in that program. I can't remember her name, but she sent me an e-mail the other day that said, "True to your word," more or less. The consumer survivor initiatives are ones that I have long-standing attachment to and support for. I've got some really great models in my own riding.

Just a couple of weeks ago I had Senators Keon and Kirby, who are working on a mental health report for the Senate, come and visit my riding. We went to three places, all of which are models. One of them is a peer consumer survivor initiative that is on Parliament Street. The other two places—Progress Place and St. Jude's—are places where the peer support model really has been at the heart of those folks thriving.

I'm working on raw numbers here, but I think that we're funding consumer survivor initiatives in Ontario consistent with what was around in the days of your government, at around \$4 million. I don't think that they've really moved, but they have moved now. We've increased that funding by at least \$1 million. We're going to distribute some of it to help to build the networks of consumers to give some annualized support so that networks can emerge, which is one of the things that they've been looking at.

Among the expansion of mental health dollars that I spoke about earlier, some consumer survivor initiatives—like the one called Sound Times on Parliament Street, which I know best. That's run by Lana Frado, a name that might be familiar to you. We've actually deployed them as a new service provider using mental health dollars.

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We can get you better numbers on this, but overall I want to let you know that I believe the consumer survivor community in Ontario at the moment feels that the government is moving forward in a fashion consistent with the advice they gave. So basically we had some additional amount of resources available. We met with a group of them and I got some advice about the best way to spend those dollars, and we're in the midst of making new investments in an area that I think hadn't received any new money in quite a long time. We can give you a bit more specific information.

Ms. Martel: OK. You mentioned a \$1-million allocation. Can I get a sense of what that breakdown is? The request in the document is for about nine, so I think \$1 million is better than not moving forward at all.

Hon. Mr. Smitherman: We also brought some mental health dollars into those environments, so overall, the number will be more than \$1 million. We'll get you all those numbers.

Ms. Martel: I would appreciate some information about the Sudbury situation particularly, because I have

been dealing with the regional office. I've met with peer support. I was on site and met with a number of consumer survivors. We've been going back and forth since an application went in for funding probably in May, and there's still not an indication yet if there's going to be some financial assistance. It would be—I don't want to use the word "amalgamation"—a joining of NISA and also peer support in Sudbury. They were working on a new governance model etc., but the application for funding, as I understand it, is still outstanding.

Hon. Mr. Smitherman: OK. We're happy to take that up.

Ms. Martel: That would be great.

I want to ask some questions now about hospital development and redevelopment. Many of these questions were raised in estimates earlier this week with Minister Caplan, but because so much of this is occurring in the hospital sector, I wanted to raise them here in estimates today.

I remain very concerned about the government's decision to focus on private financing of hospital development and redevelopment. I think it's worthwhile to go back, on the record, and take a look at what the Liberals said before the last election, because Mr. McGuinty was very clear about private financing. He said in the *Ottawa Citizen*, May 28, 2003, "What I take issue with is the mechanism. We believe in public ownership and financing (of health care)." Further in that same interview, "Mr. McGuinty believes that public/private sector partnerships in health would ultimately cost the province more money than traditional arrangements." Also, a little bit later in 2003, again in the *Ottawa Citizen*, September 24, "Ontario Liberal leader Dalton McGuinty has said the ROH expansion will go ahead because Ottawa needs a new psychiatric hospital, but a Liberal government would cancel the deal with the private sector consortium because public/private partnerships are a waste of money."

It's very clear in the hospital redevelopments that have been announced that the government is moving wholesale into private financing of these hospital projects, which clearly is a breaking of a very specific election promise and of much concern to me because the Premier has already admitted that it costs more. Minister, why is the government moving to private financing of hospitals when the government was opposed to that before the election and when these very important hospital projects should continue to be funded in the traditional way with public financing to get the best bang for the public dollar?

Hon. Mr. Smitherman: I say three things. First, there was a lot of time spent on this the other day with the minister who is responsible in our government for helping ministries like mine satiate as much of the extraordinary demand that's there for new capital projects, and we've heard quite a lot about other projects. I think that ground got most of what it needed the other day.

I would say two things, maybe. First, you said "wholesale," and I would just caution the honourable member to acknowledge that a wide variety of health care projects

are moving forward in the traditional funding manner that she advocated in her question. I would just say this: In an environment, in northern Ontario, just as an example, where we can point to cost overruns at the Sudbury hospital or the Thunder Bay hospital, I don't think it's quite so easy to say that those are the most cost-effective models for the taxpayer. If you look at the tradition that has emerged in our province, if you look at the challenges that we had a chance to speak about yesterday with the Health Services Restructuring Commission, where projects have come in at costs two or three times greater than what was predicted, you see very great hardship in the traditional model as well. People like to focus—and I know that there was some discussion between the leader of the NDP and Minister Caplan the other day about costs, but I think it's appropriate in the context. I think a lot of residents in northern Ontario would be familiar with the idea that there have been tremendous costs built into our record of construction in the traditional model. The risk take-back associated with private sector involvement is a conditioning, a discipline, that I think over time is going to reap important rewards for Ontario.

The bottom line for me as the Minister of Health is that according to the OHA, in their most recent stuff, we have something like \$8 billion of insatiable hospital construction in Ontario. It's obvious that to get as much done as possible, we need to be flexible in the variety of ways that we can move forward. The government is taking the view that being able to advance our \$30-billion infrastructure plan over five years is important for the future of Ontario. Accordingly, as not all of those resources are present at the time, it's appropriate to act as most people do when they buy a house, which is to make that purchase over time.

I think there are compensatory issues associated with some of the models that are now available to us that have tremendous advantages to taxpayers. As I mentioned, the discipline around project cost and timing stands as one of those that make it easy for me to say that I'm proud of the flexibility of models that our government has developed around these things.

Ms. Martel: If I might, in response, Minister, the cost overruns in the Thunder Bay Regional Hospital and the Sudbury Regional Hospital—those problems were well-known before the last election. They were well-known in a very public way. Your colleague Mr. Bartolucci and some of your colleagues from northwestern Ontario made that case. That didn't stop the Premier from making the commitment he did before the last election to not use private financing. Those details were well-known before the Premier said what he did. Secondly, the fact that there were a great number of hospital projects in the queue, primarily as a result of what went on during the Health Services Restructuring Commission, was also very well known to all of us in a very public way. That didn't stop the Premier of the day from making the promise he did, that hospitals should be publicly financed. Mr. McGuinty was very clear, and I agree with Mr. McGuinty that it is going to cost more to privately finance hospital re-

development than it would if we would fund these through traditional arrangements. We are very supportive of the projects that are going forward, but we believe very strongly that they should be funded publicly in the very way that Mr. McGuinty promised before the last election.

Your colleague Mr. Caplan admitted on the record in the estimates process that the AFP process is going to be more expensive, because the borrowing costs are going to be higher, because there's a risk premium built in and because there are inflation escalators built in as well. I don't understand why we are going to use money that could be much better spent, for example, on patient services, to finance instead the profits of the private sector consortiums that are going to be involved. We should be using the traditional arrangements, just like Mr. McGuinty promised.

Hon. Mr. Smitherman: As I said at the outset, you want to have the same debate two days later in the same committee. I think there was a good hearing on it. I had a chance to catch a second or two of it. I'd like to make a couple of points. Firstly, you want to talk about a queue and blame the HSRC. As a member of a government that for five years, frankly, didn't do very much building of hospitals, I think you really should fess up to some of the obligation and responsibility around the extraordinary list that emerged. Not making investments during that period of time did have the effect of creating some of the challenge that we have in an aging stock of hospitals. You had fiscal—

Ms. Martel: You'd want to check that through Jobs Ontario to see the level of our investment. Sorry. Wow, my goodness.

Hon. Mr. Smitherman: I've travelled around to a bunch of hospitals. I haven't been—

Ms. Martel: There were cutbacks on the operating side, not on the capital.

The Acting Chair: Excuse me, Ms. Martel, you have about one minute left, if you want to wrap up your remarks.

1040

Ms. Martel: Sorry, Mr. Chair.

Hon. Mr. Smitherman: Is it all right that I finish my answer, Mr. Chair?

The Acting Chair: It's up to Ms. Martel.

Hon. Mr. Smitherman: She asks a question, and I don't get to answer it?

Just on one of the other pieces, on Thunder Bay, you say that everything was known? This is not accurate. The Thunder Bay project was not even complete at the time of the 2003 election.

Ms. Martel: Hmm.

Hon. Mr. Smitherman: It wasn't known. We had Tom Closson do a report, and it's at that time that we came to understand that using the traditional model had resulted in more than a doubling of the costs associated with the construction of that project. Inherent in that \$120-million cost overrun is a lot of opportunity for Ontarians to benefit with risk take-back and transfer to

the private sector. So I think that these models will hold us in good stead as we seek to upgrade as much as possible of our hospital infrastructure in the province.

The Acting Chair: Time has expired. Thank you, Minister, and thank you, Ms. Martel.

Mr. Lorenzo Berardinetti (Scarborough Southwest): Good morning, Minister. I just wanted to ask you a question about the state of our public health system. As everyone knows, the SARS crisis was a wake-up call in Ontario in terms of the province's ability to deal with infectious disease outbreaks. Could you tell me and the committee what our government is doing and has done to ensure that we're better able to prevent infectious disease outbreaks, and also how to deal with them when they inevitably occur?

Hon. Mr. Smitherman: Well, I think the first thing that's important to express is that Ontario is a jurisdiction that faced down SARS, where 44 of our fellow Ontarians lost their lives. We have an obligation to operate every day on the idea that we must learn and apply these lessons. That is the fundamental obligation. That is our starting point on this initiative.

Then, what flows from that is what I can most easily or appropriately describe as a comprehensive response. First and foremost, we think that leadership is a very important contribution to good-quality public health, and accordingly, our government continues to be—this'll be good—applauded from many quarters for the decision that we made to ask Dr. Basrur to come and serve as our chief medical officer of health.

I think, in addition though, I'd like to go through a list of some of the things that we've done. Firstly, governments initiated a variety of inquiries—I'm just going to use the word "inquiries" in the broadest sense—to gain some insight into what an appropriate response should be. The federal government brought in Dr. David Naylor, who's well-known, of course. Dr. David Walker, the dean of health sciences at Queen's University, was brought forward to help create an expert panel to give advice around how to deal with infectious disease control. Of course, Justice Campbell as been doing some exemplary work in investigating what went wrong, and more appropriately, what could be done.

What we have sought to do as a government is to address the recommendations that they bring forward to the T. The best thing that I can offer you as signs of progress is that, to the best of my knowledge, all of those gentlemen, when asked to comment about initiatives of the government, have expressed a high degree of satisfaction. We're not resting on our laurels, not at all. We've been working very, very hard, and now I'll go through a variety of things that we've been doing. You may want to ask me for some feedback.

Firstly, the government of Ontario is in the midst of taking back more responsibility for public health: We're footing more of the bill. Simply, in a province where resources are not always equalized, we want to make sure that every Ontarian has access, that there is good public health capacity in their local community. We've created a

provincial advisory committee around infectious disease, and it's operating very well. Again, we build on this theme of the system helping the system, and we engage experts from the system to help to inform others about how to go forward.

We've been working hard on the development of a Web-based integrated database for all health units to deal with when there is a disease or an outbreak. This isn't sexy stuff, but it's expensive, and it's essential to build a good data management capacity. We really didn't have that. People will remember those stories about SARS where they were using Post-it notes on boards and all of that. We've worked hard to enhance our capacity.

We will next year be establishing a new health protection and promotion agency. This was recommended by the Walker panel, and at current there's a very big group being chaired by Dr. Terry Sullivan, the president of Cancer Care Ontario, that's giving us more advice around that through what's called the agency implementation task force. That's co-chaired with Dr. Sullivan by Dr. Dunkley, a former associate MOH in Ottawa.

We've got a capacity review committee working to advise the ministry, through the chief medical officer of health, on the core capacity required at local levels. I know a lot of people have been working very hard on that.

We have a public health e-council which is working to create more information technology capacity as it relates to public health, and we're working on the implementation of four initial regional infection control networks.

It's a bit of a shopping list, but it falls under that umbrella, which is that as a government, our starting point is that we owe it to our citizens and especially to those who lost their lives to make sure that we appropriately apply all lessons learned. We employ experts in giving us advice and we have inspired leadership in the form of Dr. Basrur, who works with a very, very broad sector of people out there, at what I might call the front line or the community level, who are so essential, obviously, in helping to disarm these kinds of situations if and when they emerge.

The Acting Chair: Thank you. Mr. Milloy?

Mr. John Milloy (Kitchener Centre): Minister, I'm going to tell you and the committee that I may have a bit of conflict of interest in asking this question, because I want to talk about newborn screening, just to follow up on what Ms. Di Cocco said. As I think you know, Minister, my wife and I are expecting our first child in about two weeks, so I hope I'm allowed to ask it.

Obviously, as a prospective new parent, I'm following with interest the information in the media, some of the measures that you've brought forward and obviously the Ombudsman's report that came out today. The one thing, though—I'm looking at the Globe this morning, and I believe it's mentioned in other articles—is this whole issue of not covering sickle-cell anemia, that that has not been covered through this. My understanding is that there are a lot of very solid medical arguments for covering

this, and at the same time it's being done in other jurisdictions. So I'm just wondering what your response is to these press stories and if you're looking at it.

Hon. Mr. Smitherman: I'll try not to go over all the ground that I spoke about in my earlier response. But the one thing that I think is really important to repeat is that even at the time that we were able to make that big leap forward—I won't go over it in painstaking detail, but we've added a considerable array already—at that time I said, "This is the first step." What we were doing was operating on the interim analysis that came forward from the experts that we had assembled, but we did not have all of the advice or all of the experts assembled at that point to give us advice on the broadest array of opportunity that we had to address.

I'll use sickle-cell, because I think it is one of those that is receiving significant attention. The message that I have sought to send, but I feel like I've not done it well—so perhaps today we'll be more helpful on that—is that we have not bypassed sickle-cell; we have not said no to it. I simply await the advice of experts that are going to give us advice on sickle-cell and a variety of other things that we can screen for as we seek to move Ontario from worst to first. I think that some of the frustration emanates from the fact that since 1992, the scientific community, if I could use that expression, has been advancing to the government of Ontario the need to get there. Maybe I could say that there's enough blame to go around, if you will, for not moving forward, but I'm not so interested in distributing that; I'm interested in action. Accordingly, I would just want to give some assurance to those who feel like their issue has not received attention yet that we're working very aggressively. We know that Ontario has started from behind, but we will bring considerable energy to bear with a view toward enhancing our capacities, and sickle-cell is amongst those that I am awaiting advice around.

One more small point on this: One of those who has been engaged at a community level around the issue of sickle-cell is former Lieutenant Governor Lincoln Alexander. I had an opportunity to speak with His Honour last week, and I gave him a similar commitment in person, that I expected to be in a position to stand alongside him and others at an appropriate time and say, "We've made up for progress that has been too long in coming in the province of Ontario." That's a commitment that I make again before the committee and that I'm prepared to be held accountable to.

1050

Mr. Milloy: As we're sort of getting toward the end, I'm going to switch gears and move to wait times. I was very interested in some of your comments yesterday. Obviously getting a handle on wait times allows us to explore where there is capacity in the system and generate or grab hold of unused capacity and, at the same time, where to put resources forward.

You've talked about the possibility of a Web site coming forward. You talked about expert panels. I just wondered if you could sort of pull it all together. What's

our strategy? How are we going to be measuring reductions in wait times moving forward? And third, how is the public going to be involved; how are the actual users of the system going to have some input?

Hon. Mr. Smitherman: Mr. Chair, I'd like to introduce Hugh MacLeod. He's the associate deputy minister and the head of our health results team. Hugh, you might want to expand somewhat on the nature of the measurement and the involvement in expert panels. Those are at least two of the things that I heard the member ask about. Thank you.

Mr. Hugh MacLeod: Thank you for the opportunity to talk about this very exciting initiative.

We started with a simple premise: Let's begin to challenge the current assumptions upon which we have framed our work. In that process, we have engaged literally hundreds of thought leaders in the system.

The first question we put in front of them: Are wait times really a symptom of a bigger issue? The bigger issue is access, and part of that issue is management of the system, management of that access. Through the good work of Alan Hudson, who brings both a local flavour, as a neurosurgeon, and who as the former president of Cancer Care Ontario understands the system linkages, of Peter Glynn, who brings the Saskatchewan experience, in that he brought to Saskatchewan an overall strategy for wait time, and the real glue piece within the ministry, Rachel Solomon, who begins to take all this good work and crystallize it and put it in a frame, we began to map out a blueprint that basically has five elements. The minister has talked about the first two elements. The first one is volume, to begin to address the backlog. The second one was the introduction of new technology, like new MRI and CT capacity, to make the system more efficient.

But companion to that, we knew there were opportunities to improve the throughput of the system. So the first initiative we looked at was the critical-care capacity of the system. We have engaged 44 experts from the system, 44 physician leaders, who have developed for us a 90-page briefing document with a series of recommendations on how to improve critical-care throughput and thereby begin to take care of some of the bottlenecks between emergency and the ward, and the ward and the operating theatre, to assist us to improve access.

But we didn't stop there. We also engaged a number of other experts. We have an expert panel on MRI and CT, and they have published a report. This is the first provincial report ever published on MRI and CT; likewise, the first provincial report on cataract, the first provincial report on hip and knee, and a companion piece to that, because what these reports told us and informed us was that there was opportunity through a better analysis of the surgical process for surgical improvement. Let me highlight some of the findings on the surgical throughput.

We had an overwhelming response from the hospitals: 96% of the hospitals responded to our survey. That was encouraging, because that kind of dovetailed into our

front end in terms of challenging the assumptions, and people now are beginning to have a different conversation with us.

What did we find? Thirty per cent of the hospitals have no system for sequencing patients from their surgical day, 19% of hospitals do not track the start time of the OR, and 27% do not track cancellations. On those three quadrants alone, there's tremendous opportunity in the system.

It begins to challenge the assumption that Ontario hospitals are the most efficient hospitals in Canada. They may be, but compared to who? What the experts have told us through their work is that Ontario hospitals can become much more efficient. So we are encouraged by these expert panel reports, because the common themes that are coming out of the reports are as follows: the need to move toward greater standardization of practices; the need for a renewed focus on quality and safety; opportunities for efficiency and effectiveness; the need for better information; the need for stronger accountability and performance metrics; the need to be creative on our HR models; and more importantly, the need to transfer knowledge across the system. LHINs begin to become an important catalyst to take this foundational work forward to again engage all the parties within the geographic area in a different conversation.

We also put out a proposal for projects on two dimensions: One on education, and one on innovation. We had over 200 individual organizations respond to our proposals. We approved 18 on the education side, and 36 on the innovation side. The framework that we used to make the selection: All of these projects had to look at ways to improve access and therefore reduce wait time. The second part: All of the proposals had to have built into them an element of how the local organizations who put forward the proposals would develop a strategy to transfer the knowledge. Let me give you two examples of what we're looking at in this collection of 18 and 36 proposals. At Humber hospital, they are developing a tracking system to track the patient from primary care, through the hospital, into the community to begin to understand the flow, but more importantly, to begin to understand the break points where service is disrupted. In the Toronto area, 26 organizations have come together to develop a strategy to reduce length of stay through a rehab strategy that will assist us to free up more capacity to deal with wait time issues.

The Acting Chair: You have approximately four minutes left, Mr. Milloy.

Mr. Milloy: Just to follow up, the minister has mentioned the Web site that's coming up. The individual user of the system obviously benefits in the sense that the wait times are lower but, at the same time, an increasing knowledge of where the wait times are and the comparisons. How are we going to be dealing with the increased capacity or the availability? And then, what's the individual's role?

Mr. MacLeod: Two parts. The minister made reference yesterday to the first report, which was the ICES

report using 2003-04 data. It began to foreshadow the future, because for the first time we're able to look at an aggregate number by LHIN geographic area of how long people are waiting. We're now into our next evolution, and that is now populating that map by hospital, using this year's data, to give a demonstration of how long people are waiting.

There are two values: one for the consumer that shows the consumer that in hospital A the wait time for this activity is X, and in a neighbouring hospital or a neighbouring LHIN it is different. So there is an opportunity for the consumer to make a choice with his or her family physician and surgeon. More importantly, however, what it provides is an opportunity to look at equity, to look at where we have our significant issues and challenges in the system. As we move forward with the different levels of funding volume announcement, we factor all that into our decision tree to ensure that the principal of equity is maintained.

The last piece in the sequence is that by December 2006, we will have for the first time a live registry capturing 80% of the wait time volume in the province. It's a first for this jurisdiction, and we believe it will be a leading indicator for not only this jurisdiction but for the rest of Canada.

Mr. Milloy: Can I just ask, as follow-up—perhaps this is a naïve question about doctors' referral patterns and the involvement of patients and things like that—once the Web site is up and running, once some of these fundamentals are in place, how is it going to work practically? Are you going to be promoting it amongst the medical community, amongst the public? How do we encourage people, or what are the mechanisms for someone to say, "OK. The wait at my local hospital is X, and yet there's one two or three hours down the road which is a lot faster"? How does that whole infrastructure work, in a more structured way?

Mr. Sapsford: I think the information is important at first to frame the discussion. The expectations of the ministry in the future around these issues will be to increase the requirements for productive performance. It's important that hospitals and their physicians understand their relationship to other hospitals so that we can have a broader discussion among hospitals about how best to serve the public in that part of the province. So what we're trying to encourage is cross-hospital discussion, cross-LHIN discussion, so that we can focus the hospital resources and surgical resources to get the best possible care in as timely a fashion as possible. So I think it's a very positive benefit that the information, in the hands of patients and consumers, will in effect encourage that kind of discussion and improvement in results over time.

1100

The Acting Chair: Thank you very much. Time has expired. Thank you to the government members. Mr. Arnott, this is the last 20-minute rotation.

Mr. Ted Arnott (Waterloo-Wellington): I want to thank the minister for being here today to answer some of

the questions that members of the Legislature have for him.

Minister, I want to ask you a clear and specific question about capital funding from the province for hospital redevelopment projects. According to my files, in January 2004, some 21 months ago, I first brought to your attention a number of issues facing the Groves Memorial hospital in Fergus, including the hospital's ambitious and visionary plans for redevelopment to meet the health care needs of my constituents into the 21st century. This hospital has spearheaded a very successful fundraising campaign, raising some \$15 million in donations and pledges, an extraordinary sum for our small communities in the hospital's catchment areas. Minister, you've visited this hospital—you know the people and you know how great it is.

Now we're waiting for Ministry of Health approval to commence the next stage of planning for the redevelopment, and I understand in the ministry's terminology, it is approval for functional planning. That's what we're talking about. I've raised this issue in the House on October 14, 2004, on April 13, 2005, and in a letter to you dated June 22, 2005. Our community has been very patient, but as the MPP for Waterloo—Wellington, my patience is beginning to wear thin. When exactly will you, as Minister of Health, grant Groves Memorial hospital the approval it needs to move forward with the next phase of planning for its redevelopment?

Hon. Mr. Smitherman: My patience has run thin too with the circumstance that I inherited, where more hospitals were promised than could possibly be built, and Groves gets caught up in that.

A couple of things that I'd like to say: Firstly, Groves Memorial is a good hospital. I like the scale of that hospital, and the way that the primary care physicians in the community are also the hospital physicians. I was pleased that we were able to support the emergence of the family health team adjacent to the hospital. You're right to say that the next step for the ministry, in offering support or progress toward Groves, would be the extension of a planning and design grant, that is, to get to the point of having a functional plan.

I have had a chance, as you've said, to witness the extraordinary community support that exists for that hospital, but the bottom line looks an awful lot like this: You're pretty aware, in the region, that there are projects so much further down the path than Groves, in terms of having had their planning completed and the like, that as a result of our fiscal limitations and some of the expectations that have been developed—we talked about this quite a lot yesterday, and I won't belabour the point. I can't tell you exactly when we will be in a position to move to that next stage with Groves, because the sad reality is that there is already, in Ontario, such an unsatiated amount of capital that we have to be careful.

What I'm not interested in doing is this: I already have plenty of expectation that has been seeded in communities. Getting Groves to the point that they've completed their functional plan and have all of that planning

work done will have the effect of enhancing their expectation about going forward. At the moment, in the circumstances that we're facing, I worry that that would be unfair to the community. What I'm just trying to say to you in a very plain-spoken way is, I know that there are health needs at Groves, I know that there is tremendous community support and they're ready to get going on this. But the sad reality that we have to face down is that even though we're advancing tons and tons of hospital projects, we do not at the moment have the capacity to move all of those forward that are ready to go. I just want to be careful in not further inflaming expectations in your community in a fashion that the government of Ontario is not in a position to meet them.

I'm not saying no to the extension of the planning and design grant, I'm merely letting you know of the caution that I'm bringing around that. I do feel that in my earliest days in the ministry, we advanced a planning and design grant in one or two places that may have created an expectation that, as it turns out, is a little more artificial than I would have preferred. I don't want to mislead the folks of Groves in your community and get them further down a path that maybe isn't going to result in exactly what they need. It's a bit of a wrenching thing, but it doesn't do anything to diminish the need or the support that exists in your community. I want to get there with you as fast as I can, but it's not easy.

Mr. Arnott: I'm somewhat disappointed by the answer because I was hoping for something more positive. But I would have to say to you, Minister, that the expectation is raised by the need that exists in terms of the improvement of health care that people in our area deserve, and certainly the expectation to some degree is fuelled by news of announcements for capital in other areas of the province.

Clearly, you have a list of capital projects that you're prepared to approve. I don't know how you prioritize them, but you're going through them, I suppose, on a weekly or monthly basis to make those announcements. The people of Centre Wellington in the catchment area of the Groves Memorial hospital have an expectation, you're right, because of the money that's been raised.

I would again say that the approval for functional planning, as I understand it, will allow the hospital to move forward to the next stage. It will take at least a year, I'm told, to do the functional planning. So the people at the hospital and the community understand very well that it's not going to happen overnight, but they're looking for support from the ministry to move to the next stage and move forward. Obviously, that proposal has my absolute support.

So I would ask you again: Would you be willing to express to this committee today, so that I can tell my constituents, that you're supportive of this hospital redevelopment plan and you're going to do what you can to move it forward?

Hon. Mr. Smitherman: No, it would be irresponsible for me to give you the undertaking today that you want, specifically as you've defined it, on the basis of next-step

progress perhaps within a year. This is not realistic in the current environment in Ontario. Although it's disappointing news to you and to your community, it is honest news that I think, frankly, you could have used a whole healthier dose around as it relates to hospital capital over the last five or eight years.

I gave the long explanations yesterday, and I can't remember if it was the part that you were here for, but if you look at the combination of things related to growth in our province, the commitments of the Health Services Restructuring Commission—you see in your own region some of the challenges that we're facing.

We have made some pretty significant investments in Waterloo–Wellington. We have significant family health team resources there. We've been expanding resources around community-based care for people with HIV/AIDS. We've been working to expand our capacities around community-based mental health, and our government will look for all the opportunities we can to make investments that are due. I recognize that this is an unmet need. I can't give you the undertaking that you wish to get today, but I give you and the people of your community my commitment that, at the time that it's appropriate to move forward with the planning and design grant, the government will be there to do that. But I don't wish to further inflame their expectations, as I think that that would be unrealistic.

Mr. Arnott: Thanks, Mr. Chairman. It looks like I'm going to continue this dialogue with the minister in the Legislature in the fall session.

The Acting Chair: Mr. Jackson.

Mr. Jackson: I just want to finish my line of questioning with respect to cancer. I'm concerned that we do not have a national cancer strategy and that the federal government hasn't been able to line up its priorities in a fashion that would please the provinces in terms of their efforts in this area. But the Canadian Strategy for Cancer Control doesn't seem to be going very far in the discussions that have been shared with me.

As you know, Minister, the primary role for the federal government is prevention and funding, but all treatment is done provincially. When I look at the amount of commitment that's being made by each of the provinces and the results on a per capita basis in terms of investment and remission rates—any number of these—Ontario is not faring as well. Given our wealth, Ontario should be performing better than BC and Alberta and some other provinces; currently we are not.

My question to you, Minister, is this. I know you're not at the table, but will you be taking a more aggressive stance with the federal government about moving the national agenda forward so that we can get some targeted federal dollars toward our treatment programs for all Canadians but, in particular, in Ontario?

1110

Hon. Mr. Smitherman: To the contrary, it's my leadership that's going to see the national cancer strategy as an element of the agenda at the upcoming federal-provincial-territorial meeting. I'm currently the co-chair

of the FPT. I had a chance to meet with representatives who are working on this strategy about seven or eight weeks ago, because I do think that it's appropriate for Ontario to play a leadership role.

I read the piece in the *Globe* that I think you may be referencing or paraphrasing in some ways in your question. I do think that this is an area where there is opportunity for more progress on a pan-Canadian basis. I have committed to those groups that at our upcoming FPT meeting I'd make sure that they had the chance to address all of us together. They have been working hard. I know that they've been criss-crossing the country seeking to align commitments from as many jurisdictions as possible. Accordingly, I thought it was appropriate that we show leadership and get the opportunity that they were desiring, to be able to address all of the provincial and territorial ministers at the very same time as addressing the federal minister as well.

I can't prejudice what the outcome would be, but—

Mr. Jackson: Nor would I expect you to.

Hon. Mr. Smitherman: —we'll continue to offer some leadership there.

Mr. Jackson: Thank you. Minister, earlier you referred to my reference to Helen Stevenson's review on the drug benefit program as speculative. I apologize if I speculated. The information I got was from individuals whom she has met with, relying on her assurances to them. Could you please provide for this committee the copy of the terms of reference that she is operating under, that you've contracted with her to do the review, including compensation, staffing, budgets, any consultants' contracts that are called for, approved, or under consideration, and perhaps even what the deliverables are? It's not just the terms of reference, but what the deliverables are. As a former minister, we generally try to make sure that those understandings are very clear when people are doing these kinds of independent reviews. And what would the timelines be?

My understanding, and maybe you could help me with this, is that this is not a round table type of operation, where everyone will be brought around the table to discuss this, but in fact, this is an individual research and consultation process. I'm also led to believe that there will be a draft consultation paper or a consultation paper that will be released at stage one, and then stage two will be that that will stimulate discussion, and then she will bring forward her report to you.

Those are my understandings, so if you could help me to understand that, I would appreciate it. I wasn't trying to be speculative. I've talked with people who have actually met with her, and those were the assurances she have given them, so perhaps you could help us to understand when we might see the consultation piece and maybe when you're expecting a finished product. I can't ask you when we'll see it; that's entirely up to you.

Hon. Mr. Smitherman: There's a bunch there. Any that I miss, ask me again. We're not anticipating the release of a consultation paper. What we're anticipating is that we will continue to create a dialogue with that

broad array of stakeholders who are interested in this issue by asking them more precise questions.

In your government, there was this tremendous effort—everybody got around one table and there was a lot of sawing-off, and at the end of the day—

Mr. Jackson: We met three times.

Hon. Mr. Smitherman: Yes, and at the end of the day what came forward was a little bit—it didn't exactly arrive at an easy-to-implement consensus, is about as diplomatic as I can be around that strategy.

The issues are well staked out by now. We have been pretty transparent for a long time in acknowledging that we were going to look at a bunch of stuff, and we've had the chance to talk about some of those things in the Legislature before. Her work over the course of the next several months will include lots and lots of opportunities for meetings with those stakeholders, where they will go through a variety of different scenarios with a view toward trying to improve on some of the ideas that we have developed so far. We're very, very happy in the context of the rules around FOI and the protection around personal information and all that stems from it to be able to give you the information you sought right at the beginning.

Mr. Jackson: When will she have a deliverable to you?

Hon. Mr. Smitherman: What I'm working on is the basis that we need to be implementing initiatives in keeping with our next fiscal year. That doesn't mean the end of March, therefore, because implementation is timely. I expect a lot of progress to be made around this in a period of about the next three to four months, with some action time, so the next three to six months as an overall framework for progress on these initiatives.

I'm not sure, Deputy, if there's anything that I might have missed or that you wish to add.

Mr. Jackson: So when I speculated about next spring, I wasn't too far off.

Hon. Mr. Smitherman: It was speculation with respect to the release of a consultation paper.

Mr. Jackson: Thank you. I'll anticipate receiving those and I appreciate the explanation.

With the limited time I have left, I wanted to move on to a couple of issues I want to raise with wait times that, in my view, haven't really been discussed very much in the public stream, and I'll use my own community as an example. First of all, I want to say I appreciated Hugh MacLeod's presentation a few moments ago. But out of that, is it possible for us as a committee to receive the breakout of those hospitals that have—Hugh referenced three measured outcomes that he monitored. I'm interested in hospitals that don't have a process in place to track and monitor cancelled surgeries. He identified three. Is it possible for us to have that list of hospitals?

Hon. Mr. Smitherman: I'm not understanding your question, but the deputy, I think, is getting it.

Mr. Sapsford: You mean as a result of those reports?

Mr. Jackson: As a result of those reports.

Mr. Sapsford: Yes, the reports can be made available.

Mr. Jackson: OK. The reason I raise that, Minister, is because—and I'd appreciate some limited feedback. I understand Hugh has done considerable work in BC and has addressed some of these issues. He's a welcome addition to any government's team. However, the concern I have is with the amount of doctors available to perform the surgeries. I'm going to briefly tell you my challenge in my community of Burlington. We're 150,000 people; we have three orthopaedic surgeons. Our next-door neighbour is Oakville. It has 150,000 people; it has six orthopaedic surgeons. The waiting time for hip and knee is three to four months in Oakville, but it's two years in Burlington. We appreciate very much you giving us the additional monies, and I don't need to put on the record the amount and the number of surgeries, but the problem still doesn't go away that Joseph Brant hospital independently determines the number of physicians that it requires to meet community need.

I guess my question to you is simply this: Are you, as a minister, considering looking at intervening in hospitals that staff in a manner which exacerbates waiting times? I'm not impugning a motive on the part of my hospital, but I have had very heated discussions with them about why we don't have sufficient orthopaedic surgeons in Burlington, when we could easily attract them. That's an internal decision made by the hospital, by the chief of staff in consultation with others. There is an empty surgical room at Joseph Brant. Only six of our seven operating theatres are operational. I'm going to set that aside; that's a funding issue. But it's not the government's fault that Joseph Brant hospital only has three orthopaedic surgeons. So even with your additional money, Minister, the waiting lists in Burlington for hips and knees are going to drop dramatically to a year and a half. I need help here to understand, how can government and your ministry, recognizing this problem, deal with it? Because frankly, I'll tell you, I went out and found an orthopaedic surgeon in a different community and I'm referring people. They're done routinely in three months, but I don't think that's an appropriate role or an appropriate way to look at health care, to say, "I've found you a surgeon. He's in this city. You'll get done in three months like clockwork." That's wrong.

1120

The Acting Chair: We have about one minute left.

Hon. Mr. Smitherman: There's a lot there. Let me try to hit the marks.

Firstly, you've just offered up some wait times that are anecdotal. Soon we're going to have a public wait time registry, which is updated every couple of months, that is real time and is going to give Ontarians more access to that kind of information.

The second piece is that some of the language, the way that you asked the question about the ministry—I can't remember what word you said—I'm going to use the word "foisting" itself on the hospital to improve procedures. We're trying to change culture, for sure, and adopt best practices and all of that stuff. A couple of pieces of this include, firstly, the expert panels. We're

trying to get the system to train the system about how to respond appropriately using expert panels, meaning other doctors. Not the ministry on high issuing a directive and saying, "It should be like this," but actually encouraging people and giving them the tools to work that out at the community level.

Part and parcel of this are local health integration networks. You've asked questions in a Burlington stand-alone context, in a Joe Brant context alone. But what we seek to do, as we continue to collect data on a local health integration network basis, is to make decisions around appropriate allocation of resource within those so as to create more equitable access to the resources in the province of Ontario.

We had a chance to talk about this yesterday on the Champlain district in Ottawa. They've always lagged behind on MRI and hips and knees, so we're working double time, now that we have good, quality data to back up what was long-standing anecdotal information, to actually try to address it.

I think if we could steal 30 more seconds, the deputy might want to offer a word or two as well.

The Acting Chair: Make it quick.

Mr. Sapsford: The whole human resource issue is a very important part. We are looking at it on a global basis provincially, and on the wait-time issue specifically, to begin to have these discussions with hospitals through LHINs about how we're going to serve the population in a geography as a whole. If that means we have to address issues of physician privilege and looking more globally at access to services, that's part of the intent of this overall strategy.

Just to be complete, for the member's interest, the reports that Hugh was referencing are available on the Web site right now. The MRI/CT report, the cataract report, critical care and the surgical throughput report are all there now. That will be joined shortly—I think next week—by the cancer surgical report as well. So those are available.

The Acting Chair: Ms. Martel?

Ms. Martel: Minister, I want to go back to the issue we were discussing in the last rotation, and that's the private financing of some of the hospital redevelopment. You said in your remarks that there was an important debate on this on Monday in estimates on infrastructure, and you're right about that. I'm continuing it here because I think there are some very serious implications on the health side that I want to raise.

Those implications arise because in the committee on Monday, Minister Caplan—in addition to the comments that these arrangements would be more expensive and that schools, for example, could be privatized—also made it very clear that virtually any service within a hospital could be privatized as well. He started off with a list that included maintenance, laundry, food services, cleaning, user fees for community use, portering, and ended up by saying "everything." So I'm going to assume that includes any of the programs for patient care and for patient services that are provided in a hospital.

If that's the case, there is no way that can't have an impact on one of the election promises your government made, which was to stop the creeping privatization of health care. What I see as a potential to occur is that money, then, that should go into patient care ends up having a portion being diverted to the profits of the companies that are involved in running those services, whatever they may be, in the hospital. This makes no sense to me. It, frankly, encourages or reinforces privatization in the hospital system.

My second concern is, if you look at the experience in Britain, many of the private sector consortia that were involved in the capital construction also ended up being intimately involved in the ongoing operating of the hospital, and there is certainly a great deal of evidence about what the impact was there on patient services, the provision of human resources like nurses etc. What I've seen has been very negative. I go back to this because my very clear concern, having heard what Mr. Caplan said—that virtually anything in the hospital could be up for grabs in terms of privatization—is, how does that deal with the promise that your government also clearly made, which was to stop the creeping privatization, in this case in the hospital system?

Hon. Mr. Smitherman: I think the key point that needs to be made here is that there's nothing associated with any of these mechanisms that can lead a hospital to privatize a service that wasn't available to them over the last number of decades. Creeping privatization, as you've referred to it, was ongoing in the days that your party was in office, where hospitals chose to take services that heretofore had been provided by hospital employees and asked another organization to provide those services. That's not new. That's the status quo, and that's the status quo that goes back to the days when you were serving as a minister of the crown. So I'm not really clear on your question as it relates to that. I think you mentioned the issue of portering particularly.

I talked a little bit about this yesterday. There is a fair bit of private delivery of universally accessible health care services in our province already, and that has been the case under governments for quite a long time. Some governments move to increase it; some governments may not. What we've done, as an example, around repatriation of MRI and CT is to move some of those privatized services back into an environment where they're well connected to the publicly delivered system, because we want to make sure that the integration of service is not lost in that instance.

But there's nothing going on in a hospital today, nothing made possible by any financing mechanism today, that offers a new opportunity for a hospital board to decide to have that service delivered differently. There's nothing new today that wasn't there when your party was the government. There are many, many examples, I believe, of services that were privatized in hospitals during the days when your party was in office, so I'm not sure how it's different now.

Ms. Martel: I'm looking at the commitment that was made by your party before the election, which was—and

I think it's been repeated in many places—to stop the creeping privatization of health care. Your minister on Monday made it very clear that as part of this process of hospital redevelopment, as part of the contract negotiations with hospitals, not only was the financing for capital going to be privately financed but there are going to be opportunities for other consortia to be involved in a broad range of operations within the hospital. He was very clear that any and everything could be a part of that.

Now, it seems to me that having that opportunity out there clearly runs contrary to the commitment that your government made to stop privatization. Second, I think it flies in the face of evidence that is before us now from other jurisdictions that have gone to a private financing model that going beyond private sector financing into private sector delivery of services and programs in a hospital, particularly around human resources, has proven to be very negative from the perspective of patient care. The third thing that I see happening is that money that should be going into patient services and to direct delivery of care ends up being diverted, in part, to the profits of those companies that are now involved in the operation of those services.

So I don't see how, on the one hand, another minister can say that everything is on the table, that every service and every program that's in a hospital is on the table as part of this negotiation process for private sector financing, and on the other, you are trying to tell the public that your government is committed to stopping the creeping privatization. There's a contradiction there.

1130

Hon. Mr. Smitherman: Oh, no, the contradiction is on your part, I think. I'm having a really hard time understanding why you think that getting—firstly, we have community-based governance in our province. Minister Caplan was asked the question, which is a speculative question, and he answered it well, which is to say that the same rules apply now as have applied for decades. During your party's term in office, that meant that some services that were theretofore—I guess then they could have said “heretofore”—delivered by the public sector through employees of hospitals were privatized. Mr. Caplan's answer to the question just confirms that that's still the circumstance. He doesn't predict how much will take shape that way; he just says that that's still the circumstance.

If a whole bunch of hospitals in the province of Ontario have decided that it's more efficient for them to work together and to have laundry services delivered by an entity other than employees of a hospital, that they find the capacity to do that in a fashion that reduces their cost, that's good for patient care.

So I'm a little bit hard pressed to see how it is that you've made the leap to suggest that providing services through an outside provider typically, almost exclusively, to the best of my knowledge—the kind of things that Romanow referred to as ancillary services, not clinical. I don't understand how getting the private sector involved to provide those services at less cost is bad for patient

care. I rather think to the contrary; it allows a hospital to preserve more resource and apply that to the important work that it does around clinical care.

Why would it be a bad thing in Ontario to say that a cafeteria—you know, it used to be civil servants who operated the cafeteria here, and it was quite good. The cafeteria that operates here is operated by a private sector company. It's very good.

Ms. Martel: You haven't been downstairs lately.

Hon. Mr. Smitherman: I have no quarrel around it.

I don't know how you would draw the conclusion that spending less on laundry is bad for patient care. I rather think that that dedicates more resources to patient care.

Ms. Martel: Two points, Minister. The cafeteria downstairs: I don't know if you know, but the recent contract involves the dropping of wages of the remaining staff by two bucks. So I'm not sure how that's beneficial to the workers who work there. That's an aside.

Your minister didn't stop at ancillary services. You're focusing on housekeeping etc. He didn't stop at ancillary services. The experience in Britain is that the government there didn't stop at ancillary services either. I think the—

Hon. Mr. Smitherman: Maybe he didn't understand the question well.

Ms. Martel: If I might—

Hon. Mr. Smitherman: None beyond ancillary services are those that are being, to the best of my knowledge, envisioned to be provided. You bring me a real-world case and I'll have a debate or a discussion with you. But this is a speculative question, and I don't—

Ms. Martel: No, it's not.

Hon. Mr. Smitherman: There's nothing that can be done now that wasn't done when the NDP was in government. Nothing changed.

Ms. Martel: No, it's not speculative. That's why I'm raising it, because it is a very important issue, and the minister didn't stop at ancillary services.

My concern, which I raise with you again, is that the experience in another jurisdiction, which I think is well documented in terms of what happened when the private sector became involved in private financing of hospitals, is that they then became very acutely involved in private sector financing of many operations in the hospital, many that dealt directly with direct patient care, and the experience was anything but satisfactory or positive.

That's exactly my concern and why I raise it here with you as the Minister of Health. If that's the experience, and the evidence is clear as to what happened when the private sector went beyond private sector financing but were involved in all aspects of the hospital, which is what your minister confirmed could be the potential—and he did not stop at ancillary services—why ever would we want to replicate that here?

Hon. Mr. Smitherman: It's entirely a speculative question, because in no hospital in Ontario, or none that has moved forward with the support of our government, has this British example that you want to keep trotting out occurred.

Look at William Osler. Let's use a real-world example, please, instead of speculating around these things.

That's one that you guys like to raise a lot. Is the private sector anticipated to be moving in to deliver services in areas beyond those which were possible and occurring when your party was in government? The answer is simple, and it's no.

Ms. Martel: We haven't seen all the details of the contract, so—

Hon. Mr. Smitherman: Well, these things have been very available for quite some time.

Ms. Martel: We had staff take a look, and since so much of it was blacked out that was supposed to be available for public disclosure, it was hard to determine exactly what they were going to have. I do remember, though, them having a liability clause with respect to who would be liable if patients were lost in the hospital, and we raised that case with you in the Legislature. So there was some very clear indication that not only were they going to be involved in the financing, but also directly involved with patients. I'd ask you to go back and take a look at that, because I very clearly remember us raising that question of why it would be necessary to protect the private sector consortium from liability with respect to missing or losing patients if indeed their only role was relegated to the financing itself.

Hon. Mr. Smitherman: Now you're making up a new argument.

Ms. Martel: No, I'm not making up a new argument.

Hon. Mr. Smitherman: I never said that the involvement of the private sector as relates to William Osler is limited to the financing. That's not what I said, and that's what you've just suggested. What I said was that the role of the private sector in the arrangement at William Osler does not do all of those things that you've said it does in your attempt to link these British circumstances. I'm just saying that therefore that is speculative.

The role of the private sector has emerged over decades around the provision of services which are not clinical in nature. That occurred under your government, it occurred under Mr. Chair's government, and it's the same set of rules that are in place now. If you want to bring me a real-world example, then I'm happy to deal with it.

Ms. Martel: Minister, I'm going to raise it again. We've raised William Osler and we raised the question in the Legislature as to why it was necessary as part of the contract to have the private sector consortium protected from liability with respect to losing a patient. If they were only involved in the cafeteria or laundry services, there would be no reason for them to come into contact with a patient in the hospital. That's clear to me, clear to you.

Hon. Mr. Smitherman: So you've decided that pushing a stretcher is the provision of a clinical service? In the Ontario health care system, we've got private—

Ms. Martel: If that's portering—

Hon. Mr. Smitherman: We've got private involvement at a far higher level—

Ms. Martel: Can I just respond to that? If that's what portering is, then your minister on Monday said that, yes, portering could be privatized. If that's what portering is

in a hospital, then your minister said yes, that is a function that could be up for private sector delivery.

Hon. Mr. Smitherman: Already in the Ontario health care system in a wide variety of ways we've got private sector organizations delivering a level of clinical care that far exceeds that.

The theory that you advance, as I understand it, is that a nurse who operates for and is paid by a private company is no longer a nurse, is no longer a satisfactory person to exercise clinical judgment.

Ms. Martel: On the contrary, Minister, the experience in Britain—

Hon. Mr. Smitherman: Then why the thread around portering?

Ms. Martel: The experience in Britain was that because the nurse was paid by the private sector company and they were interested in making a profit, there was a decline in the number of nurses that were available to provide good-quality care in the hospital system, that the private sector company was not interested in staffing to an appropriate level to ensure the proper provision of health care services, particularly nursing services—

Hon. Mr. Smitherman: But the contract dictates these things.

Ms. Martel: —and that those cuts had a direct implication on patient care.

Hon. Mr. Smitherman: It seems to me you've taken about seven things and sought to weave them together in some magical concoction. The reality remains that at William Osler Health Centre, this beautiful new 1.3-million-square-foot hospital emerging in Brampton, when the people walk through the door of that hospital, it will be a community hospital and they will cherish it the way that other hospitals are cherished. The service that they are provided there will be provided as it is in any other environment in the province of Ontario, with the loving care of Ontarians providing those services. There will be nothing going on in that hospital that has not been possible under your government or under Mr. Chair's government or any other. It will be the circumstances that have been ongoing in the Ontario health care system for quite some long time.

Ms. Martel: Again I raise the case at William Osler and what we raised. And the second point that I raised earlier was that this will cost the community a whole lot more. At the end of the day, the private sector financing is going to cost both the community more, because the community share has to increase, and cost the taxpayers of Ontario more. Your minister admitted that in committee on Monday. This runs entirely contrary to the promise that your own Premier made before the last election when he admitted that these privately financed projects do cost more and he wouldn't be a part of it.

1140

Hon. Mr. Smitherman: It's the inability of my honourable friend to net out, to understand that the impact of the traditional method of financing hospitals that she so favours has resulted in the Ontario taxpayer being bludgeoned by projects ongoing in your very backyard.

It's astonishing to me that you would be so wedded to the status quo, even in recognition of the extraordinary shortcomings that have been seen there, in the absence of risk transfer, in the absence of discipline around getting projects built on time and on budget.

On this point about services, I can only repeat one more time that the honourable member, I think, would be well advised to take a look at the situation that was in occurrence when her party was in office. At the time your party was in office, what is being referred to as creeping privatization was occurring as hospitals made decisions—to the benefit of patient care, I believe—to go with the provision of services by some private sector operators in ancillary areas, because they identified that they could be done at a rate that would allow more resource to be dedicated to patient care. I think that's evidence how patient care has benefited, on laundry and on a variety of other things that are ancillary. That's the same role.

With respect to something you said, none of this information related to the provision of services at William Osler was blacked out in the contract. I think it's important to correct the record on that.

Ms. Martel: No, I'm sorry, there was a great deal of information blacked out in the contract. We had researchers who were on site—

Hon. Mr. Smitherman: Not related to the services.

Ms. Martel: —researchers who went to see the contracts and—

Hon. Mr. Smitherman: You were misled then; not related to the services.

Ms. Martel: Minister, I tell you that we went to have a look at it and there were great portions of it that were entirely blacked out.

Hon. Mr. Smitherman: You said that it was impossible to determine the range of services because that information was blacked out and I am telling you, no, that is incorrect.

The Chair: Thank you. On that note, we will request a copy and that will resolve this matter to everybody's satisfaction. You just provide a copy of the—

Hon. Mr. Smitherman: The contract is in a room and it's available for everyone. It's 7,000 pages?

Interjection.

Hon. Mr. Smitherman: Oh, 700. It's only 700. It's available, Mr. Chair. We can give evidence to the committee of where that's available.

The Chair: That's fine. That concludes this round, and by mutual agreement here, Minister, we will be pleased to have you wrap up briefly.

Hon. Mr. Smitherman: I think you'd be more pleased if I wrap up just by saying to all members of the committee, thank you. I said in my speech yesterday that I like the estimates. I'm pleased to be able to say, as I conclude my estimates' defence, that the good view I had about how fun and how important this was for Ontarians has been affirmed. It's given my sister at home the opportunity to get more exposure to me than she has in a long time, and I know she's enjoyed that. I just want to

thank all the members for the interest they show every day in the health care needs of their constituents. We've addressed a broad range of subjects here today and yesterday which I think have been well-covered and I just want to thank everybody for their involvement and for welcoming me here.

The Chair: On behalf of the committee, I would like to thank you and your deputy, Ron Sapsford, and the significant number of staff who've been here, available to this committee for questioning. We appreciate that very much.

The chair recognizes that we have come close to completing our time and I'd like to proceed with the votes.

Shall vote 1401 carry? All those in favour? Opposed, if any? Carried.

Shall vote 1402 carry? All those in favour? Opposed, if any? Carried.

Shall vote 1403 carry? All those in favour? Opposed, if any? Carried.

Shall vote 1405 carry? All those in favour? Opposed, if any? Carried.

Shall vote 1406 carry? All those in favour? Opposed, if any? Carried.

Shall vote 1408 carry? All those in favour? Opposed, if any? Carried.

Shall vote 1409 carry? All those in favour? Opposed, if any? Carried.

Shall vote 1407 carry? All those in favour? Opposed, if any? Carried.

Shall the estimates of the Ministry of Health and Long-Term Care carry? All those in favour? Opposed, if any? It is carried.

Shall I report the estimates of the Ministry of Health and Long-Term Care to the House? All those in favour? Opposed, if any? That is carried.

I will now declare a recess until 12:30 of the clock, at which time we will proceed and commence with the estimates of the Ministry of Children and Youth Services.

The committee recessed from 1145 to 1233.

MINISTRY OF CHILDREN AND YOUTH SERVICES

The Chair: Good afternoon. I'd like to welcome everyone for the commencement of the meeting of the standing committee on estimates. We are convened for seven and a half hours to undertake the Ministry of Children and Youth Services. I'm pleased to welcome the Minister, the Honourable Mary Anne Chambers and, I believe, her deputy as well, Judith Wright.

Minister, you have up to 30 minutes for your opening statement. We're in your hands.

Hon. Mary Anne V. Chambers (Minister of Children and Youth Services): Mr. Chair and members of the committee, as the recently appointed Minister of Children and Youth Services, I am pleased to appear before you today. Our government's plan is to strengthen our province by strengthening our people. As part of that plan, Premier McGuinty has given me the opportunity to

make a real difference in the lives of our children and youth through this vitally important portfolio.

We're helping give them the best opportunities to be successful in school and in life. This ministry not only provides care and support for our children from their infancy through to their teenage years, we also help to support parents and caregivers as they take on the all-important job of raising a child. We do that by looking at all of our programs and services from the vantage point of the children and youth we serve. The Ministry of Children and Youth Services also plays a key role in the prosperity of this province and this country. It brings together the key priorities of our government: health, education and economic well-being.

I am pleased to be joined today by a dedicated group of people: My brand new Deputy Minister of Children and Youth Services, Judith Wright, and my senior ministry staff. Before I tell you, though, about the ministry's ambitious plans, let me first tell you just a little bit about my own background.

You could say my own life has had three pillars: family, career and community service. My family consists of my husband, our two sons and two lovely granddaughters, aged seven and five. Just thinking about my remarks before coming in here just now, I recall—I don't often think about this, and yet I know it influences a lot of what I do: My older son, I'm proud to say, worked his way through high school and university, working with children and youth with special needs, with very severe challenges that included degenerative-type conditions and autism. I have to tell you, even just thinking about it, I still think about how wonderful it is that we have such caring and special people who do this kind of work. I'm proud that he's my son. My other son, actually, works in the justice system. The Premier doesn't know all of this, and yet I get this portfolio. I think there is something here to do with providence.

Prior to holding public office, I had a long and rewarding career in banking. I worked for Scotiabank for 26 years. At the same time, I've helped serve my community through a number of highly respected organizations, including the United Way of Canada and the United Way of Greater Toronto, the University of Toronto, the Rouge Valley Health System with hospitals in Scarborough and Ajax-Pickering, and the Air Cadet League of Canada, a very well respected youth organization. I also support a basic school for young children, and a home for severely disabled young people in Jamaica, which is where I was born and raised.

Having entered public life, I've found that the values that guided me in those years of my life continue to influence my thinking and continue to help me as I deal with the very difficult challenges and important opportunities that exist in government. In my previous role as Minister of Training, Colleges and Universities, I brought in the largest multi-year investment in post-secondary education in 40 years, and the most substantial improvements to student assistant in almost 30 years. This investment is a vital step in helping our young people

achieve their potential and a sound financial investment in Ontario's prosperity.

In the Ministry of Children and Youth Services, our goals are very much the same. I'm committed to working with Ontario families to strengthen the services we all rely on, so that Ontario's children have the very best opportunities to succeed and Ontario has the best opportunity to prosper. Our goal is to provide a continuum of services, starting even before a child is born—services to pregnant mothers and families—right through a child's teenage years.

In effect, my work for the last two years has come full circle. Before, I was tasked with providing the opportunities students need to succeed as they reach adulthood. Now I'm setting a path for our young children so they can take advantage of the opportunities that await them. I remember doing our Best Start announcement in July, looking at these little ones in the child care centre and sort of seeing them as university and college students and apprentices in the skilled trades, my staff having to remind me that I had changed portfolios.

That, to me, is the very core of what our government's role must be. We must work to ensure that all our citizens, young and old, have the opportunities they deserve to live as full and vibrant a life as possible.

1240

At the Ministry of Children and Youth Services, we are already making significant progress down this road. We are transforming and improving the sectors that help our children and youth, including child care, early childhood development programs, child protection, children with special needs, aboriginal children and youth, residential services and youth justice.

My ministry is only two years old but it speaks to our government's determination to provide children and youth with the support they need to achieve their full potential. I have already seen evidence that supports the importance of policies that will help to ensure that children from disadvantaged families—children with mental health challenges, children whose circumstances result in child protection interventions, children with any of the many special needs that we are seeing—do not, for example, show up in our youth justice system due to inadequate support and intervention earlier in their lives. That's why our Best Start plan, for example, is so important.

We've called that initiative Best Start because we want to help give Ontario's children the very best start in life. Together with our federal and municipal partners, we have an ambitious goal: to help our children arrive in grade 1 ready and eager to achieve success.

Early intervention initiatives are designed to find those children and families who need extra support early, so that we can get them the help they need sooner. That's why we have strengthened Healthy Babies, Healthy Children, including aboriginal Healthy Babies, Healthy Children, infant hearing, as well as preschool speech and language programs. At its core, Best Start involves a massive expansion of quality and affordable early

learning and child care and an investment in the healthy early development of Ontario children, all in a convenient and easily accessible location for parents.

Let me take you through some of the key components of Best Start. This past summer, I was pleased to announce that our province is delivering approximately \$1.1 billion in federal funds to municipalities over three years, beginning this year. Our plan will create approximately 25,000 new licensed child care spaces by April 2008. That's about a 20% increase in three years, and that's in addition to the investment in 4,000 new subsidized child care spaces across Ontario last year so that more lower-income families can find quality, affordable child care in their communities.

Our plan also relieves municipalities of cost sharing for the new federal funds for child care. This will save municipalities more than \$208 million over the next three years, beginning in this year. This rapid expansion of child care spaces will be directed with a priority on quality child care for children in junior and senior kindergarten.

To improve the quality of our child care, we are proposing to introduce legislation that would, if passed, establish a college of early childhood educators that would set out professional qualifications and standards. As well, an expert panel is developing a preschool learning program that links directly to junior and senior kindergarten.

Our investment also supports a gradual expansion of child care spaces for younger children, because we want to make child care available and affordable to more families. That's why we've also eliminated the restrictions on child care subsidies for parents with RRSPs and RESPs. We believe that saving for a child's future should not hinder a parent's ability to care for that child in the present. We're also designing a new model for determining eligibility for subsidies based on income. This new model will make child care more affordable for more families.

As part of Best Start, we are screening newborn children to identify any potential concerns, needs or risk factors. Those families who need extra support will receive follow-up visits in their homes and referrals to other supports in their community.

By strengthening infant hearing, as well as speech and language programs, we are identifying, treating and supporting children with communication disorders, because we know that late literacy and language skills are a significant risk factor for many problems down the road.

As well, we are working with an expert panel to develop a comprehensive checkup for babies at 18 months. Early diagnosis and treatment are fundamental to helping our children get a healthy start.

We're also working with the Ministry of Education to help students develop better eating habits so they are more focused in class. We want to ensure students are getting the healthy breakfast they need to start the day ready to learn. I'll be making an announcement about this program in the very near future.

There are a few communities that are already working at an accelerated pace in implementing Best Start. The district of Timiskaming in northeastern Ontario, with its large francophone community, the rural areas of Lambton and Kent in southwestern Ontario and Hamilton's urban east end are all implementing the full Best Start vision at an accelerated pace. All three communities are working to integrate local services. They are working quickly to have their programs up and running, and we will be closely following the progress of these model communities.

In outlining the highlights of our Best Start plan, I hope I have positioned it as a socially responsible model that will serve our children over the long term. But we also need to be satisfied that our investment delivers results. We are taking steps to monitor how our investment in early development is helping children and families.

Here is one example: An assessment tool—the early development instrument—is being implemented across the province at the community level to determine children's readiness to learn at school. The results will help communities address the needs of their families and their children. The tool will also show us how our investment dollars are achieving the intended results in helping prepare children so they are ready to learn in grade 1.

I said earlier that Best Start was the foundation of some historic changes that we are making in the Ministry of Children and Youth Services, but it is by no means the only area where change is taking place. We are also making significant changes to our child protection system to help children who have been abused or neglected become successful members of our community.

We know that children who are adopted often do very well because of the permanence and security that comes with being part of a loving, stable family. However, adoption is an option that is used in only a small number of cases. We are committed to helping more children and youth find permanent, stable and supportive homes.

This spring, we introduced legislation that would, if passed, make adoption more flexible so a child can be adopted and still keep important ties to their birth family and community, and create more legal options beyond traditional adoption so children and youth can be placed in the permanent home of a relative, a member of their community or a long-time foster parent.

As well, we are making the process consistent for adoptive parents by simplifying the adoption process and supporting families after an adoption, and creating a province-wide registry to help match available children with prospective parents.

We are taking these steps because it is in the best interests of some of our most vulnerable children and youth. But it's also the responsible course.

On the fiscal side, the ministry provides funding to 53 children's aid societies for child protection through transfer payments. Last year, the province spent approximately \$1.2 billion on child protection. This year, we're planning to spend just over \$100 million more than last year's budget.

The demand for child protection services in Ontario has been growing since the early 1990s. Some of our children's aid societies are in deficit positions. We are working with them to address that. Our children's aid societies need to be both sustainable and accountable so they can be there for children who need them.

To help more children's aid societies, we are taking three important steps to change the way they operate:

Step 1: This year we began providing funding under a new model that puts a greater emphasis on the specific results we want to see for children, like more adoptions.

Step 2: Societies will have more options available to them when they respond to new cases. Without compromising a child's safety, societies will be better able to match their level of response to the needs of the child.

Step 3: Legislative changes, if passed, should result in more extensive use of mediation to resolve child protection matters. This is not only more effective for children and families, it is more efficient for our family courts.

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I would like to turn now to the topic of children with special needs, first to children and families who are living with the stressful and distressing challenges associated with autism spectrum disorder. Our government has moved quickly to make meaningful new supports available to these children and their parents. There are now more services available to children with autism than ever before. I have directed regional autism providers to address all referrals in a consistent manner. These children are being assessed, and this will assist in determining what services will be appropriate.

The demand for services continues to grow. This is having an impact on waiting lists, and it puts a tremendous strain on the resources we have to help support children with special needs and their families. However, we are making progress. Last year, we spent an additional \$24.5 million to expand the range of services for children and youth with autism—an increase of 58% over the previous year. This increased investment is already delivering more services to families across the province.

We now have a program to assist school-aged children and youth with autism spectrum disorder. Through our new school support program, we hired more than 160 autism spectrum disorder consultants to work with school boards and help teachers develop the skills they need to understand and respond to a child's needs, and we are growing those numbers.

In addition, we doubled the number of transition coordinators from 13 to 26. These coordinators help children with autism move smoothly into school. And we reduced the number of children waiting for assessments by 79% as of the end of June. We expanded our existing program by hiring 110 additional therapists, and are now providing services to 39% more children with autism.

I know that while we have made progress, there is much more to be done.

In my previous role as Minister of Training, Colleges and Universities, I was pleased to work with the Minister

of Children and Youth Services to establish a new college-level certificate program in autism and behavioural science. This program will help build the long-term capacity of the autism intervention program in the broader field of autism. This fall, approximately 100 new students are enrolled in the program, with the first cohort scheduled to graduate in the spring of 2006. By 2008-09, we expect that approximately 200 students will be enrolled in that program.

We are continuously looking to improve the way services are delivered to children and youth as they continue to learn and grow and as their needs change. Our vision is to deliver a continuum of services and supports that are appropriate to a child's developmental stage and help these children as they grow and learn.

On the fiscal side, the Provincial Auditor told us that we needed to move prudently and responsibly as we expanded our autism spending, and we agree. We are planning very carefully as we establish our new school-based program so that all funds are used responsibly. The new school support system established in September 2004 was just ramping up last year. All unspent funds from the autism program were redirected to the child protection system. Those funds helped Ontario's 53 children's aid societies provide services for the many thousands of vulnerable children and youth in their care.

We are also addressing other concerns raised by the auditor. To ensure autism programs are managed effectively, my ministry regularly meets and shares information between regional providers. We continue to improve our information systems so that we have better data, and we have conducted training sessions so that our staff and regional providers know what information we need. We are actively pursuing ways to improve and build on the services we provide for children and youth with autism.

Another report with which you would be familiar is the Ombudsman's report on children with complex special needs. We immediately directed children's aid societies to enable families to regain custody of their children with complex multiple special needs if the children had entered care only as a way to get services and where no protection issues existed. New investments totalling more than \$100 million—that's more than a 15% increase since 2003-04—are already providing more services through children's treatment centres, children and youth mental health, and autism programs.

We're also working diligently in the area of children and youth mental health. We believe that a child's healthy development is key to their future success. Our government has demonstrated its commitment to supporting these young people by providing a big boost to children and youth mental health services in this province. As part of our new investments, our government increased funding for children and youth mental health by \$25 million last year, growing to \$38 million starting this year. This funding is helping create more than 100 new programs and expanding more than 90 existing programs. As well, it is helping our community

agencies to recruit and retain staff. These programs are helping communities respond to the unique mental health needs of their children and youth. The provincial Centre of Excellence for Child and Youth Mental Health at the Children's Hospital of Eastern Ontario, established this year, is working quickly to improve how mental health services are delivered to children and youth.

Along with Children's Mental Health Ontario, my ministry is meeting with young people, families and service providers this fall to develop a children and youth mental health policy framework. As well, we are examining residential services across a number of sectors, including youth justice, child protection, mental health and special needs. This will provide us with valuable information that will help us strengthen the current system of residential licensing and services.

Before I close, I'd like to address our commitments to youth justice. Our government transferred responsibility for youth justice services to the Ministry of Children and Youth Services in April 2004. This transfer recognized that most youth who are in trouble with the law have needs that are very different from adult offenders. The Youth Criminal Justice Act introduced by the federal government in the spring of 2003 has placed greater emphasis on diversion and rehabilitative interventions for less serious offences. We are committed to supporting strong, safe and vital communities in Ontario by holding youth in conflict with the law responsible for their actions.

At the same time, we are providing young people with meaningful rehabilitation to help them become productive citizens and to reduce recidivism. This strategy more appropriately balances the use of custody with community-based programs and services. We are creating programs and services which address the factors that contribute to offending in the first place. We're maximizing the potential for youth rehabilitation. We are helping to reduce reoffending rates, and enabling youth in trouble with the law to become positive contributors to their communities.

This year, we're investing in community-based alternatives to custody to provide structure and supervised programs to low-risk youth, addressing the behaviours that bring youth in conflict with the law. We want to support youth to make better decisions and accept responsibility for their actions and develop anger management, learning, employment and other life skills. Our commitment to rehabilitating youth also extends to those young people who are in more serious trouble. Last year, the government announced it would build a new state-of-the-art GTA youth centre in the Toronto area to replace the now closed Toronto Youth Assessment Centre, an older centre that was deemed unsuitable for youth. The new facility will include smaller units, better supervision and on-site classrooms and rehabilitation services.

This year, we also announced a new 16-bed youth centre in Sault Ste. Marie. In all our efforts, we are working to develop a completely separate youth justice system with an aim to reducing crime and building a stronger and safer Ontario.

1300

In ending my formal remarks, I hope I have been able to provide you with a sense of the important work that is being done in the ministry to benefit Ontario's children and youth and the significant changes that are taking place to improve how we serve those families.

The creation of the Ministry of Children and Youth Services was not something that was entered into lightly. It was created because this government wants to give priority to the needs, the strengths and the potential of Ontario's children and youth. We believe that investments in our youngest citizens are important investments in the future of this province, because through those investments we are giving them the opportunity to achieve their potential.

Mr. Chair, I would now welcome the opportunity to respond to the questions of the committee.

The Chair: Thank you very much, Minister. We have an opportunity for statements or questions or whatever for up to 30 minutes for the official opposition, and then I'll recognize the third party. I'm recognizing Mr. O'Toole.

Mr. O'Toole: Thank you very much, Minister. It's a pleasure to see you in the ministry. You certainly bring, as you described in your opening remarks, a very good attitude toward children and youth, as well as the family. As you've described it, I couldn't support it more. I did take note of a couple of things. Our actual critic is Mrs. Munro. I'm just sort of opening the remarks and welcoming you.

Really, I see two or three issues. This is often a very controversial ministry because it deals with youth and different approaches for dealing with that issue. I'm sure there's no perfect solution or we'd already be there in civilization. But certainly the adoption issue—Bill 183 has had its challenges in terms of how to implement it. Certainly Ms. Papatello has made it clear that there are going to be no exceptions in the final drafting or final passage of that bill.

In our own day-to-day work in the constituency office, fragile families—let's put it that way—through family law or other aspects find themselves quite lost in the maze, and I think this whole idea of a continuum of service is a particularly good idea. These are just general comments, and ultimately I'm sure Mrs. Munro and others will have some questions.

But in our day-to-day work in the constituency office, first of all, I find the children's aid societies kind of removed. I know the work they deal with is rather proprietary in terms of privacy issues and other issues; it's very personal information. But I find it's almost like I'm on turf that I shouldn't be on, even though I've been asked or engaged to be because of some constituent's needs. It's almost like dealing with another country. I don't say that critically. I just find that they're protective almost to a fault. We don't go looking for trouble. We don't. We have enough work to do without digging up some spurious little piece of information. But I do encourage a perhaps more open relationship. In Durham

region, where I come from—I served on Durham regional council and I'm somewhat familiar with the health and social services issues. I hear of a couple of issues there, that we get a lot of children coming in from other jurisdictions and putting a lot of stress on an already stressed sector. As you said, some of them have deficits; I think Durham does as well. The meetings should be more so that we at least understand and know the difficulties in the broad policy sense that they're dealing with. The specifics I don't have any need to know, really, except that if pressed, there needs to be a process to resolve those differences on custody visitation. I have a couple of specific cases—I would never, ever, here in this forum, mention names—but I'm sure all members have those. It's no criticism of you. It's just bringing it to your attention.

I do want to put on the record that I want to work with them in a productive way, not to be critical, but to understand what their stresses are: "We need more money. We need more case management. We need more systems," blah, blah, blah, and "We need balanced funding on some caseload basis." It's hard to measure all that stuff because of these various cases, some more complex than others.

The other issue that I want to mention just generally, which I'm sure Mrs. Munro and perhaps others from other parties will, is the whole issue of autism and the auditor's report. It's certainly a huge issue. I have over the summer, as many members have, I'm sure, met with the autism society and tried to lend understanding, not just for the political battle, but in some respects to help the Premier, because he knows not what he says. When he wrote the letter to those vulnerable parents before the election, promising to do everything, I think now, as minister, you probably know he promised something he couldn't deliver.

It's not the promise-breaking issue that I'm pushing here. What I am saying is that in elected and public office, if we don't know, we should admit it, and if we admit that we don't know, then I think we're doing a better service to the public—any of us, whether it's provincial, municipal, whatever—as opposed to making random promises.

But on the autism file: I served as a school trustee some years ago; in fact, it was in 1982, when the special education legislation actually came into force. I was chair of the special-ed committee for the board and got to know quite a bit about the special-needs file. I don't think people identified everything as they do today: specific ADHD and all these various terms. We're becoming more clinical in the terminology we use. Having been involved and having a sister who is now retired but involved directly in this as a speech and language pathologist—she has always said that this integration issue is very difficult, that integrating all special-needs at all times in the classroom is very difficult. It's not popular to say that, but the needs are so special that they become problematic for the service provider, i.e., the teacher in the classroom.

When it comes to this bridge between the preschool and the identification process specifically in the school,

the IPRC, the identification process review committee, it gets a bit techie, because they often take a year or two to identify all this stuff, and by the time they're in grade 3, they're kind of moving out of primary. The primary grades are under a lot of stress right now, big time. My wife is a primary teacher. She has 24 kids, not 20. There aren't 20 in any of the classes in her school. We heard yesterday, on a program I was on, calls from parents, as well as educators, that that 20 number is just a number.

Boards in that case need two things. They need flexibility. When there are really high special needs, 20 is not the number. And they need flexibility between you and your bridge with education and the services you provide, specifically for JK and this early childhood initiative you're following through on, the whole daycare issue. I can see it becoming even more challenging, because I'm told it's one in 10, maybe even higher, maybe one in seven, who has a special need.

So it's not just the autism file that I bring to your attention. This is fundamental to the challenges to the family, and it spins off into multiple directions for the family itself and the child's welfare in the broadest sense.

But the second thing in this autism challenge—and I see it not just in this; I see it in the health care piece in the classroom for children with special physical needs: auditory needs, visual needs, medical needs, being ventilated in the classroom and stuff like that. I don't think it should be out of sight and out of mind. All of us in society need to be aware of these things, and I'm all for that integration model. But there has to be some practical respect for the ongoing business of the school as well, and the teachers' administrative challenges.

In many cases, the service providers who come into the school to teach the teacher—we're paying big bucks for these people to come in and do these various things for a teacher who has one student. Actually, it's a union issue. My wife and my daughters are teachers, so I'm not bashing. They've got to let professionals, in those specific areas, who are trained specifically to perform the function in the class or in the school. Do you understand? They can't. It's against the contract. They can't actually do the service they're trained to do, the psychologists or whatever they are, in the school environment. It's sort of like, "We'll go in and we'll teach the teacher" model. I'd just put that to you without getting too animated about it, but I think what we say isn't the reality at all. The teacher is left hanging by the thumbs with a limited, one-day teach-the-teacher exercise or a PD day where they're getting some general tools or skills to deal with the issue in the classroom. That's where it's manifesting, this acting out in the classroom. I know classroom management is a big issue, and a lot of it is because of these behavioural kinds of issues.

There are three small things—adoption, CAS and autism—that I've taken the time to bring to your attention that I'm sure will come up in some detail in the questions to look at the estimates.

I'd ask Ms. Munro if she would like to bring more substance to it as opposed to words.

1310

The Chair: Mrs. Munro.

Mrs. Julia Munro (York North): Thank you very much for giving us the kind of overview that you have on a ministry that on the one hand appears to be innocuously simple—children and youth—and on the other hand extraordinarily complex when you're trying to deal with the variety of issues that obviously are critical ones for the development of our young people.

I have a number of areas that I'd like to touch on and would just at this point give a little bit of editorial comment, if you like, with the idea that in the rotations later I would use those as a formulation for specific questions.

I think both we in our role as opposition as well as the general public are really keen to know about some of the details with regard to the child care initiatives that the government has indicated that it is undertaking. Obviously, the question of setting a target of 25,000 by April 2008 begs all kinds of questions in terms of the manner in which that might be done.

The other area that I think people are particularly concerned about is the question—in your own speech you referred to the 4,000 new subsidized child care spaces. Certainly reflecting some comments made by constituents of mine would be, what kind of definition are we looking at here, the threshold, for any kind of subsidized child care spaces?

The other thing that falls out from that is, I guess one needs to have a sense of the overall vision of the government in relation to the children who are in private, informal and, believe it or not, with their own mothers and fathers, this new expanded role for daycare. I think even the whole issue around creating a college of early childhood educators kind of imposes the notion that these will be the people who have the monopoly on the right way to go in raising children. We need to have a better understanding of this scheme in the context of the fact that there are always going to be children in their own homes and in informal settings.

The other thing is that you made reference, as part of the Best Start programming building on the Healthy Babies initiative, begun obviously by our government, to identify potential concerns. I'm curious to know what kinds of additional identification you are able to make beyond those that are already made, and again, in the whole context of child care, the initiative on a comprehensive checkup by 18 months. A question that I would just pose rhetorically at this point is simply, would it be the intention of that kind of checkup to identify autism, for instance? Is that a possibility? Is that what is contemplated on that issue? I think that having the whole initiative working in the communities that you've identified obviously gives you an opportunity to have a look at what emerges from doing it in communities that reflect a different demographic. That would seem to me to be an important thing to do.

I would just raise some issues with regard to what lies ahead for people in that particular area. The information that you made reference to in the area of child protection:

I think that as a community, as a province, moving from a legislative framework which originally only dealt with abuse put us significantly ahead, frankly, when we added neglect to that. But at the same time, we obviously have to be looking at some of the ramifications of that.

In your comments on adoption, again, a rhetorical question that I'll ask later is the question of the introduction of the legislation that was made in the spring. It talked about, it certainly hinted at, the more flexible arrangement that you've spoken of here. I guess my question would be, where else is this being done? What kind of base do we have to consider legislation such as this, which is really, I believe, quite a radical departure from what has historically always been the role between a birth mother and an adopting family? That's a huge change in maintaining those relationships, so I think we certainly need to know what kinds of ramifications and of evidence there are from other jurisdictions.

Could you give me an idea of how much time I have?

The Chair: It's 14 minutes.

Mrs. Munro: OK; lots. I didn't know how quickly I had to move along in this.

When you're talking about the demand for child protection services in Ontario growing, and I'm assuming that part of that comes from the legislative changes that have been made, to me it would be important to know what kinds of initiatives are contemplated that would look at how to reduce that demand. I see that not only from, obviously, a fiscal point of view, because we do know that the children's aid societies have been under enormous fiscal pressure, but also obviously, at the end of the day these are children who are going to benefit from better protection services. That's why these agencies exist. So it's a question not only of fiscal, but from the perspective of how we can reduce the kind of pressures that lead children into that kind of situation.

You mentioned, in helping children's aid societies, that you want to put funding under a new model that puts a greater emphasis on specific results we want to see for children, like more adoptions. I guess that sort of winds back to that issue for me, in terms of making a more flexible arrangement in the proposed legislation and what kind of evidence we have that supports that in fact that kind of a relationship is likely to encourage more adoptions, not fewer, because obviously that's extremely important.

1320

The issues around autism: There have been a couple of references made to the auditor's report. I certainly want to come back to that issue in later rounds because I think it's clear that the government has spent money, but all of us as MPPs know that there's enormous angst in the community. Whether it's on the issue of the broken promise, it's frankly as much on the issue of the children under six being served and the kind of waiting lists and what appears to be lack of understanding on the part of parents in terms of communication with the agencies. I do want to come back to that specific area because I think that this provides an opportunity to look at what those

specific outstanding issues are and the way in which they are being directed.

I'm also interested in the additional hiring, for the school system, of disorder consultants. I have to say that knowing the work that was done with regard to establishing programs at the community college level for therapists, I would also want to know something of the expertise, and the academic expertise, of these people, given that we had to start from the ground up on providing the number of technicians and therapists on the issue of the hiring, which you also make reference to here.

So there are many questions that I think both we and the public need to have answered in terms of the progress you have made since the auditor's report last year.

You mentioned later the importance of children and youth mental health and the increasing of funding and the challenges with regard to recruitment and retention. I think this is an area that is particularly important to us as we move forward because of the fact that, as more and more diagnosis and greater expertise is available in that area, obviously it's got to be matched with the kind of people who can come forward to provide the support for these children.

I've tried to highlight the particular areas you have referenced just to give you a kind of overview of the concerns that I have on this, so I look forward to the opportunity to be more specific and be able to then address specifically those questions in the areas I've identified. Thank you.

The Chair: Thank you, Ms. Munro. I would now like to move to Ms. Horwath.

Ms. Andrea Horwath (Hamilton East): I wanted to start off by saying congratulations to the minister for her new portfolio and also to say how pleased I am to be critic in this area and to let you all know this is my first time at estimates, to actually do some of the estimates work. I'm thrilled to be able to have that opportunity as well. What I'd like to do, if it's all right with you, Mr. Chairman and committee, is maybe do a brief overview of the things I'd like to be touching on, and then if that's not a problem, go straight into some of the actual questions I have for the minister, for a couple of reasons, not the least of which is that we have some people here today who are quite interested in a particular area who might not be able to join us tomorrow. I thought that might be the best thing to do, get some of those issues on the table and aired, if that's alright.

I'm going to talk a little bit, first of all, about what we've seen happening with changes to the ministry and what I suspect that might be meaning. I wanted to talk a little bit about special-needs agreements and I'll be asking some significant questions in that particular area, because as we all know, that has been in the public light only because of a lot of work by some very determined and courageous parents, and then, as well, some response from the Ombudsman. So I'd like to spend a significant amount of time on that this afternoon.

That follows naturally into the issues of the autism and IBI file. I'll be asking some things about that. Then I'll

likely move into some of the early learning and care piece of the portfolio, because I think that there are some specific questions about how that's rolling out and how we will see some accountability in that system over the next couple of years. Finally, I will be touching on some of the issues around children's aid societies, child protection, and children's mental health. It's quite a large number of areas to discuss. Again, I think it was Ms. Munro who said it seems like such an innocuous kind of title for a ministry, but as we can tell just by this brief overview—and I haven't even touched on some of the other issues—it's a significant ministry in terms of responsibilities and in fact expectations, not only by those of us around the table but by families and children in communities across the province.

I did start off by saying that I congratulate the minister on this new portfolio of hers, but I'm wondering why this shift came about at this point in time. I would suspect that a part of the shift is the result of the previous minister simply dropping the ball on a number of these issues and the need for the government to re-focus the priorities and make sure that some of the problematic areas were being addressed. One of the pieces that I didn't see in the opening remarks of the minister that was raised by the previous minister was that of the independent child advocate. That wasn't raised in the opening remarks of the minister. I know that back in March, Minister Bountrogianni, when she was minister of this ministry, said that, "the McGuinty government will introduce legislation this spring that, if passed, would better protect the interests of vulnerable children and youth by establishing an independent child advocate in Ontario." As far as I recall, we haven't seen that legislation yet. I don't think it was mentioned in the remarks by the minister. Maybe I could ask the minister if that's still on the agenda or if that's one of the changes.

The Chair: Minister?

Hon. Mrs. Chambers: Thank you, Chairman, and thanks to committee members for the comments made so far. To this specific question on the independent child advocate, that is indeed on the table. In fact, the current child advocate, Judy Finlay, is one of the first people I met with. What we are doing right now is benefiting from her input into what we are doing. She has been the child advocate for 15 years. She has done an incredible job. I felt that it was important to get this right and I am very pleased to have had the opportunity to spend a fair amount of time with her so far. I'm aware of some of the issues that she would like to ensure are reflected in the submission that we are working on. I think we're really close, but you will agree that it's really important to get this right. I'm committed to getting this right.

1330

Ms. Horwath: Then is it fair to ask, will it be right by the fall? Will it be right by winter? Will it be right by next spring?

Hon. Mrs. Chambers: It is a priority item.

Ms. Horwath: So you're not prepared to give a guesstimate of when you expect that legislation will come forward?

Hon. Mrs. Chambers: We're working on it as a priority item, but, as you know—

Ms. Horwath: You don't want to make any promises that you might have to break.

Hon. Mrs. Chambers: Well, I don't actually determine the legislative schedule.

Ms. Horwath: That's true.

Hon. Mrs. Chambers: So you wouldn't want me to do that.

Ms. Horwath: OK. I'll leave that one aside, then, and I think that response is extremely important.

Hon. Mrs. Chambers: You have my commitment that it is indeed a front-burner item. It's very important. It has actually been on my desk, OK? So it is a priority item.

Ms. Horwath: Very good. I'm glad to hear that, because we were wondering whether—when I didn't see it in the speech, I got a little nervous and thought that maybe it had fallen off.

Hon. Mrs. Chambers: There's a lot more that I could have said.

Ms. Horwath: That's true. That's great. Thanks very much.

I guess the other general question about what's happening within the ministry is that we've noticed there have been a couple of changes within the high-level staff in the bureaucracy. I'm just trying to figure out—we've had a change in the program manager, the assistant deputy minister for the Ministry of Children and Youth Services and the Ministry of Community and Social Services. I believe we have "acting" involved there. Cynthia Lees is gone from that portfolio. Is that right? As well, there's a change in the strategic policy and planning position.

I'm just wondering: These two positions seem to be fairly key. Is there a particular reason why these people left? Is there a shift in the direction of the ministry such that they could no longer stay, is there some other major change that has occurred or is it simply—can you explain to me if there has been some major shift in the way the ministry is moving that has caused these staff changes to occur, at the same time as the minister has changed as well?

Hon. Mrs. Chambers: Well, some of those changes actually occurred before the minister was changed, and there have been moves since I have been given responsibility for this ministry.

I think it's fair to say that for a ministry that's two years old, it's a brand new ministry. Having said that, it's not a ministry with a portfolio that has started from scratch. There are challenges to both those types of scenarios or those types of situations. If it had been a ministry that had started from scratch, I guess we could be at this stage struggling to even identify what the scope of the portfolio should be. Given that it is a ministry that is new but did not start from scratch, we are actually in the throes of ensuring that the ministry works as effectively as it can, given that at the end of 2003, in the fall of 2003, there were pieces that came over from com-

munity safety; there were pieces that came over—in fact, youth justice came in April 2004, even later than some of the other pieces. So we have been pulling together community safety, community and social services, health, and some education stuff. We're still working on fine-tuning whether or not there are other things that should come to this ministry.

I think it's fair to say that it should be recognized that the delivery of support to stakeholders does not appear to have been interrupted by this move. Having said that, I think it's fair to recognize that we have a second round of activities that must take place to ensure that we are in fact running on all cylinders.

An example would be, consistent with my vision and the vision of the Premier and of senior ministry officials, that we now have to be sure that our focus centres on the child and youth. So we look on the different files and we see connections, unfortunately. I alluded to that in my remarks. We actually see a need to ensure that we not only invest in our kids at the earliest possible opportunity, but that we also recognize that there are child and youth mental health challenges that will affect, for example, who might end up requiring protection or who might end up in youth justice.

We know that there are too many young people in the youth justice system who in fact were first seen in child welfare. This is an opportunity in this new ministry to not view that child or youth as a different person in the child welfare system from the person who, unfortunately, ends up in youth justice. If we reorganize our thinking and focus on a vision that sees this child or this young person from the day they arrive in our sphere of care through to where they can succeed on their own, then I think we will really be doing a good job. We're working toward getting there.

The Chair: Thank you, Minister. You did raise a point that your organizational chart has changed since you've become minister. Could you supply the committee with any changes to that?

Ms. Judith Wright: Yes we can, Chair. The actual organizational chart hasn't changed but, as Ms. Horwath said, there's been a change of personnel, not the least of which is me.

The Chair: So if you can enumerate all of that, that would be appreciated.

Ms. Wright: Shall do. We'll get you that tomorrow.

The Chair: Thank you. Ms. Horwath, you have the floor back.

Ms. Horwath: Thank you for that response. You might not consider that a change of direction, but I found it interesting because you're focusing on being different from the last minister, who spoke mostly only about Best Start. So that actually is a considerable change—in my opinion, anyway.

I have with me today Cynthia Cameron. People might know or remember Cynthia as a woman who was dealing with some very serious challenges with her son, Jesse. Cynthia, at that time, lived in London. Unfortunately, because those problems have not been addressed, she's

moved to Toronto. Well, I don't know if it's unfortunate that she moved to Toronto, but she now lives in Toronto because her son was still very far away from his family. Cynthia did come today because, unfortunately, there are still some major problems with what's happening with special-needs agreements and with those very families that the Ombudsman outlined in his report.

In the May report of André Marin, the condemnation of the previous ministry was palpable. Throughout his report, he made a couple of assertions that I had written in my remarks. I'm going to read them out, because they were reflected again in what the minister said in her opening remarks today.

In his review of the real crisis that was being faced by families with children with special needs, he said that the minister and ministry did little more than provide the "ultimate in bureaucratic responses" and in a most despicable fashion used nothing but weasel words to put off taking any responsibility for dealing with that crisis. Instead, they were "examining the spectrum of residential services," and six and a half months later they were still "undertaking a review of the spectrum of residential services." And almost a year and a half after that, unbelievably, they had made a decision to once again "examine the broader children's residential system." Unfortunately, this morning, on page 12 of the written copy of the minister's speech in regard to children with special needs, she said, "As well, we are examining residential services across a number of sectors." This is, yet again, five or six months later; these words were first mentioned years ago on this particular file.

Minister, I'm a little bit concerned about whether or not what the Ombudsman called creating "the illusion of progress while nothing concrete was being done" is going to continue under your leadership. I guess it's pretty straight out to ask you whether you feel, as the minister who's been responsible just for a couple of months now, that you've actually fixed the problems that were outlined in the Ombudsman's report.

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Hon. Mrs. Chambers: On the subject of residential services and the review, I can in fact give you a date when the report is supposed to be delivered to us: December 2005, so that's this year.

With regard to the Ombudsman, the Ombudsman was also one of the first people I met with, because I take him very seriously, I take the issues that he raised very seriously, and, quite frankly, I agreed with a lot of what he had to say. I am pleased that he seems to be happy with the progress we are making.

On the matter of children who were in situations where their parents had lost custody, given up custody or whatever, did not have custody simply because they were not able to provide the care that their children needed—in other words, there were no protection issues involved—we acted on that immediately. We actually compiled a list of 72 such cases. I'm happy to tell you that there are only 18 of those cases outstanding. The reason they're outstanding is because they required court interventions,

and those court dates, I gather, are scheduled for the fall. So we've made really good progress on that. I think only one family actually said they would prefer that there be no change in the custody relationship for their child.

I think it's also fair to say—it's good news—that these parents feel they are getting more support from the system, to the extent that they can feel better about retaining custody or reinstating custody for their child.

Ms. Horwath: That's the first recommendation of the Ombudsman's report, right? What about the other three recommendations in the Ombudsman's report?

Hon. Mrs. Chambers: Well, we continue to work on all of the recommendations from the Ombudsperson's report. They're all work in progress.

Ms. Horwath: Since the Ombudsman's report was tabled back in May, how much has been spent to accommodate children with special needs who were affected by the issues around custody and access support services that you were just talking about?

Hon. Mrs. Chambers: The 72 cases? The services being provided to those children and youth have been continued. The services they were getting before have not been disrupted.

Ms. Horwath: So in other words, there was no need to actually invest more dollars. It was just giving custody back to the parents, is what you're saying.

Hon. Mrs. Chambers: Giving custody back to their parents is what the emphasis was.

Ms. Horwath: OK. But what the families are saying is that they're still feeling that there has not been an appropriate response to the issues they raised. What you still have is people dealing with the fact that their children are in short-term facilities. In some cases, they have to, every couple of months, reaffirm that they can have another short-term placement before a permanent placement is found for them. They're still, in many cases, in situations where their children are in far-flung areas of the province compared to where their family home is. This is consistent. Not only Cynthia Cameron—I've already raised that issue today, and she's here to put a face to this issue—but there are also many others I've heard from. The McLaren family, who have their son Jordan right now in a care situation, feel they're still getting a bureaucratic run-around from the officials they're dealing with, because they've gone through several phases. I know in your remarks you talked about how your regional representatives were coordinating with each other and making sure that everything was being done in a coordinated and consistent fashion. Unfortunately, the consistency appears to be that it's consistently not solving the problem for the families in terms of getting a permanent placement so that they can move with their lives. What we have now instead is families who are still uncertain of what the future holds for their children. They are unable to make plans for themselves and the rest of their children; they are unable to move their families along; they are unable to make decisions around vacation and all kinds of other things.

I'm just not sure, Minister, if you're telling me that you're pleased with this pace of reform or if you have

any other further responses for these families who are still living in a day-to-day situation in terms of a crisis of care for their children.

Hon. Mrs. Chambers: I think it's very important that everyone understands that the whole matter of custody does not necessarily involve a physical relocation of a child or a young person. I think it's really important that everyone understands that we have said there will be no reduction in the level of care provided to these children and youth. If there are cases where parents are experiencing otherwise, then I would definitely encourage them to continue to work with the regional offices and the regional services providers, and I am sure the deputy is taking notes as to what she should be following up on here.

My intention is to ensure that parents and their children and youth are dealt with fairly and provided the support they need. As you know, I cannot address individual cases, and neither am I going to suggest that we should take individual cases out and give them priority over other individual cases. That would not be appropriate. I don't think that's what those families would want either.

I want to reaffirm to the families you speak about and the families who are represented here today that they do have my commitment. When we acted quickly—I want to thank my ministry officials for picking up on that direction and moving with it quickly. Prior to that, they were only adhering to the direction that they had previously been given. This is new direction from our government to my ministry officials, and I appreciate what they are doing there.

Is the problem totally fixed? Obviously, if there are any parents who are dissatisfied and feel that they are getting any less attention than they had received previous to giving them the opportunity to resume custody of their child, then we will want to hear about those.

Ms. Horwath: Mr. Chairman, how much time do I have left?

The Chair: About eight minutes.

Ms. Horwath: Thanks, Mr. Chairman.

Minister, again, we bring particular cases forward to highlight systemic problems. I think you would acknowledge that that's the obligation of members of this Legislature, that as these issues come forward, we need to make sure that the systemic problems that cause particular families to have an issue get addressed. In that vein, there's something that I'm hearing echoed in a number of letters I've received in regard to the ongoing problems. The bottom line is, people are saying that the ministry is simply not addressing the concerns that are being raised. I think what that means is not just the first recommendation in the Ombudsman's report but all of the other recommendations that continue to not be addressed.

I don't think you answered the question in regard to when, specifically, we expect the other three recommendations to be addressed. When will you be in a position to be able to say that the Between a Rock and a Hard

Place recommendations have been completely addressed? The runaround is still occurring for families. If you don't want me to mention names of families, I won't. But families write to me and say, "This process is nothing short of crazy-making. It feels like they're trying to challenge us to see how long it's going to take before our children fall by the wayside and are no longer eligible for funding until the adult system kicks in." Of course, there are other questions around how that transition occurs.

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Others are saying that they are being told they can't even address what's happening when their children are reaching the age of 16 and trying to figure out where their care is going to come from after that age because care providers are saying, "We're not prepared to take that on unless we're guaranteed by the ministry for long-term funding to meet the needs of those young people as they reach that age."

Minister, I really would like to know specifically whether you have directed your staff to come back with an implementation plan with timelines and accountability attached that implements the other recommendations of the Ombudsman's report and specifically deals with the fact that special-needs agreements are still not being directly entered into with families and that there are still families who are not seeing permanent solutions to the residential care for their children's situations.

Finally, when will you know for sure that the ministry has a handle on this entire file, so that I don't get questions coming from community members who indicate that from their perspective the ministry—and again, not as a result of their individual case but the ministry overall—is in a crisis of disorganization and unable to address their concerns?

Hon. Mrs. Chambers: Let me address the matter of special-needs agreements because we have also had this discussion with the Ombudsman. You will have noticed in the Ombudsman's report that while he had an interest in special-needs agreements, he also recognized that special-needs agreements did not guarantee the level of service that children and youth and their families might require. He actually used the term "ad hoc" in reference to, if you like, the value of special-needs agreements, because special-needs agreements, which have existed for quite some time and were instituted for quite different reasons, don't actually guarantee services.

What the Ombudsman seems to agree with us on is the need to strengthen the services we provide so that all children and youth and families who need these services can get them, not just people who have managed to negotiate some special service agreement. There are relatively few of those in place. As a matter of fact, I have actually looked through the format of the special-needs agreement and the special-needs agreement actually contemplates the removal of custody, which is exactly what the Ombudsman has said he doesn't agree with and, incidentally, we don't agree with. If there are no protection concerns, then this is actually not an issue for the children's aid societies.

Ms. Horwath: Can I ask then, when is the result going to occur, though? If the special-needs agreement as it's documented now is not the appropriate way to address the problem, when is the other alternative going to be proposed? What's the timeline for your proposal for the alternative to the special-needs agreement, and when are the providers of service going to feel that they are getting the supports they need from the ministry to provide the services necessary?

One of the other things that has come to light from the work that I've been doing with some of the families is that prospective service providers feel that they're floundering within this process, that they don't know what to do and how to bridge the messaging they're getting from the ministry staff to the families who are so desperate to have their children placed.

Hon. Mrs. Chambers: Well, let me give you an example of what we've done already. At the end of June, my predecessor announced an additional \$10 million to address some of the priorities identified through the planning process and the planning tables on children and youth with complex and multiple needs. This was as a result of work that had been underway for months prior to that to identify better and more innovative approaches for services and support to meet the needs of this population. So we have in fact made great strides in increasing our support in that area and our focus on that area and core elements of the plan—

Ms. Horwath: Can you outline the exact areas the \$10 million is being directed to?

Hon. Mrs. Chambers: The funding has been allocated to the regional offices and the regional offices have been given the flexibility to address immediate pressures while supporting local capacity and enhancing community supports. So core elements of the plans to utilize the \$10 million include flexible specialized respite, a range of in-home and community supports, residential beds, interdisciplinary assessments, care coordinators and the availability of flexible funding that allows them to respond to the needs of specific families.

The Chair: Thank you, Minister. Perhaps it might be helpful if you were to furnish a copy of the memo to the regional office outlining that flexible format for us. That would be appreciated.

At this point in the proceedings, according to the standing rules, you have up to 30 minutes to respond to any statements or comments that have occurred prior. I'll leave that to your judgment, and when you feel you've completed that, we will begin our regular rotation.

Hon. Mrs. Chambers: All right. Thank you.

Mr. O'Toole, there is no question that we are reviewing how children's aid societies operate now. In my new capacity, as you would well know, I don't have the ability to meet with individual families in my constituency office any more, but I certainly had almost two years of that kind of experience and I know of what you speak. We also recognize that we are dealing with very, very sensitive situations when we deal with child protection issues and children's aid society-type issues.

I want to say that in all that I have seen, there are best practices and better practices, and in some cases, for example amongst the 53 children's aid societies, there are also opportunities for some of the societies to benefit from the strengths of other of the societies. I would have to say that the concept of children's aid societies seems to be a workable concept. Is there any room for sharing best practices amongst them? Yes. There is also room for increased accountability. We are, as I said in my opening remarks, helping them to move their approach to dealing with some kinds of situations in the area of custody issues, for example. Bill 210, which my predecessor announced, is intended to increase the emphasis on family supports and kin supports. I have received letters from grandparents that actually are difficult to swallow, where they feel that had they had the ability to be involved in their grandchildren's cases, if you like, they could have intervened with a family or kinship-type solution. We want to see more of that.

If you don't mind, I might come in my response to reflect some of what Mrs. Munro said as well in terms of what kind of evidence we have seen out there that would cause us to want to deal with this better. I think you would probably agree with me that a child moving every 22 months from one foster home to another kind of arrangement is not exactly our definition of permanence or stability. Some of these children have other challenges which would therefore just be magnified by a less than perfectly stable home environment. I'm not saying any of us have perfectly stable home environments, but to offer these young people greater hope for stability and support in their homes is what we're after. When we have 18,000 or 19,000 kids in the care of children's aid societies and we're seeing just over 800 or so adoptions per year, I think we can do a little bit better than that. We are working with the societies. We also recognize that there are financial challenges, and we believe, from the reaction we're getting from them, that they are entirely on side with wanting to look at how they operate, because their focus is also on providing the very best care and opportunities for the children and youth in their care.

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On the matter of autism and the auditor's report, I want to emphasize that we are focusing on a continuum of services. We are looking at ensuring that children get the support they need, and that's what I meant when I said that I have directed our regional service providers to assess the needs consistently. There are challenges associated with this. I think it was Mr. O'Toole who said that if there were opportunities for perfection, they would have already been found. But we will certainly not give up on working toward improving how we care for these children, youth and their families.

When I spoke about increasing capacity in the system and the college-level programs, and Mrs. Munro asked for a little bit more information, I interpreted that as the quality aspect of it, the expertise re college programs. This is in fact a new program. This followed, actually, an initiative where we were able to get existing college pro-

grams to increase their capacity to take in more students, again, to enable us to provide greater capacity in the system. This program of which I speak involves, I think, nine colleges. It's a new program. This is the first cohort of students. It's two semesters, 12 courses. There are full-time, part-time and on-line options for taking these course. It's intended to support the instructor therapist level.

We have, I think, three levels of therapists that we use in autism spectrum disorder treatment programs. I am looking for the guidelines document which in fact speaks to—and I have it here; it's just a matter of finding it. Here we are. You found it because I found it. Isn't that how it always works? We have three categories of staff, and we actually do stipulate the qualifications required. We are really keen on ensuring that we have the calibre of staff. The clinical director is responsible for overseeing, monitoring and evaluating the intensive behavioural intervention. The qualifications for the clinical director are: training and extensive clinical experience in intensive behavioural intervention for young children with autism; the clinical director would have a doctoral degree in psychology, and be registered or eligible for registration with the College of Psychologists of Ontario.

Then there are senior therapists, Mrs. Munro, who are responsible for a set number of children and for supervising the instructor therapist. The qualifications for the senior therapists would be: have, or be working toward, a master's level graduate degree in psychology or a related field; six months to a year of direct clinical experience in an IBI program for children with autism; alternative combinations of extensive clinical experience in intensive behavioural intervention with children with autism, and other educational backgrounds might also be appropriate for the senior therapist.

Then we get to the instructor therapist, which is where we currently have 100 new students enrolled, and within a couple of years we'll have up to 200 in that new program. The instructor therapist is responsible for providing intensive one-on-one and small group instruction. To support this work, the therapist will be responsible for maintaining a daily data book for each child that will help in monitoring the child's progress. The senior instructors supervise the instructor therapists. The qualifications: instructor therapists should be community college or university undergraduates in a related field; previous experience providing intensive behavioural intervention would be of benefit. I should mention that that new college program also includes two on-the-job placement opportunities.

In terms of the angst amongst parents, I have to acknowledge that the waiting lists have grown recently because we are not turning kids away. But we are, at the same time, working on building capacity—hence my excitement about the new program, which will significantly enhance capacity.

How do we reduce demand for child protection cases, you asked? Well, some of that goes back to giving kids a better start in life, providing parents with stronger sup-

ports and also identifying the issues that could, perhaps, be supported at an earlier stage in life. When you asked about what kinds of things could be identified earlier, one of the results that I think will please you is related to the results of hearing tests. In 2004-05, the average age of children who had been diagnosed with permanent hearing impairments was reduced from two and a half years to four months. As I've heard said by parents who have children with special needs, a year is a lifetime, so two years makes a huge difference in the life of that child. I just wanted to provide those examples.

On the question of private operators in child care, and I think Ms. Horwath didn't raise that because she figured I would respond to your question: 95% of licensed child care spaces are now in the not-for-profit sector. We expect that this trend will continue as the expansion takes place over the next three years. We're certainly encouraging municipalities to establish these new spaces, any expansion projects, in close proximity to schools. The primary focus of this expansion is four- and five-year-olds, and so they would be in junior and senior kindergarten now. The ideal situation would be that there would be no need for them to be transported away from their schools or between their child care location and their school location.

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We feel that there is absolutely no place for big-box commercial child care in Ontario. Having said that, there are a few communities that only have private child care providers, and we are happy that those exist, as I'm sure others would be happy that they exist. In terms of how funding is being allocated, whereas we are not funding the expansion of spaces in for-profit operations, we are in fact funding the operational side. That included enhancing compensation for child care workers. The emphasis is not just on a place where you can leave your kids; it's on early childhood development. And, no, we are not suggesting that child care workers or early childhood educators know how to look after kids better than their parents do. What we are recognizing is that something in the order of 70% of working parents with kids under the age of five have said they need child care. So what we're trying to do is ensure that we are helping those parents to balance their family and work obligations.

The establishment of the college of early childhood educators is an attempt—and, I think, the right thing to do—to raise the bar in terms of quality and to ensure that our kids have the very best opportunities when they're in the care of others.

I'm sort of jumping around here, so whatever I don't cover, please ask me in follow-up questions today or tomorrow.

On child protection, Bill 210 was mentioned. We are, as I think I've alluded to already, trying to make sure that there are more flexible arrangements, that there are greater opportunities to involve kin and familiar surroundings for kids. We are moving toward kids not having to go into temporary group home settings before they are provided with more stable environments.

On the subject of consultants in the schools—Mr. O'Toole raised that issue. There are a couple of points that you have made that I will pass on to my colleague the Minister of Education. One particular one that I know he is giving consideration to is the idea of consultants in the classrooms.

When you say that consultants are not permitted to be in the classrooms, it's actually the private consultants who are not permitted, under current contracts, as far as I am aware. So, for example, the 160-some consultants, which will increase to 190 by next spring, are in fact able to provide support to the teachers. I have heard concerns about families not being able to bring their own consultants into classrooms to provide that support, and I am of the understanding that that is related to agreements with unions.

Should I go on?

The Chair: Minister, if you have completed your responses, we can get into a regular question rotation, but you still have a few minutes left.

Hon. Mrs. Chambers: I still have a few minutes? OK.

Need-to-know details of child care announcements: How will this be done? This was Mrs. Munro's question. The municipalities and their service managers have actually been working really closely with my ministry. We have given them a very aggressive timeline on this. In fact, some of them are saying they'd love to have more time, and I'm saying, "Well, kids would like to have spaces in child care." So we have asked them to bring their plans back to us for approval by the end of October of this year. Some are already on their way. Remember that there are wait lists for licensed child care spaces. We are really eager to assist them in whatever way we can, and certainly in the way of turning around and approving the submissions they bring to us over the next few weeks.

On the question of child care subsidies, we are working toward an income-based subsidy that will provide subsidies for a larger number of families. That work is nearing completion. I'm looking forward to being able to pilot that in a couple of regions so we can make sure it works really well. In fact, it wouldn't be a pilot; it would be a parallel operation, so that while we are testing it, the supports that parents are getting now would continue.

Mr. O'Toole would like to ask me a question, I think.

Mr. O'Toole: No. I'll volunteer for a pilot.

Hon. Mrs. Chambers: You want to volunteer for a pilot? I shouldn't call it a pilot; I should call it a parallel operation, because we have to ensure that we have data against which to compare it. I know we have data for Toronto and for York. I don't think we have data for Durham, but I might be wrong. I'll look into that.

Identifying conditions earlier: Mrs. Munro asked if I thought maybe the checkups by 18 months could possibly identify autism spectrum disorder. From the materials I have read, that is quite possible, because from what I understand, it's typically around age two that diagnoses are being done. I would suggest that because there will be this focus on following up from birth, in fact

even before birth, we will be able to provide parents with the kinds of tools, the signs. I've visited a number of centres, including children's treatment centres, and they have some "Look out for these kinds of signs" types of pamphlets that suggest it's possible that parents can help in early diagnosis of some of these cases. That's the kind of resource we want to be able to provide to parents and their families.

The matter of my visits to children's treatment centres and other places just reminds me of Ms. Horwath's question about children not necessarily being located close to their families.

1420

I have visited the Child and Parent Resource Institute in London, in southwestern Ontario, and met some of those amazing kids and their incredibly caring staff at that centre and learned a bit about where some of these children come from. Some of them come from significant distances away and live at the centre. Obviously, I didn't speak with all of them, but I really got the impression that the children's parents, in most cases, are more concerned about the wonderful care their children get there than the fact that it's not all that convenient for them to be visiting them because of the distances they have to travel to get there.

But there is wonderful work going on there. The parents have custody of those kids, even though they are not physically located in their own homes. In terms of public perception, there may also be some confusion as to what "custody" means. These parents do have custody of their kids, even if they are in a residential setting outside of their homes.

The model communities and the different demographics: Yes, for the Best Start programs, those communities were selected to ensure that we had a good take. For example, Timiskaming and Lambton will not only provide us with, in the case of Timiskaming, the franco-phone population but will also provide us with some insights into rural challenges, or challenges outside of urban areas like Hamilton, where parents have to travel distances to secure services or support. We are expecting wonderful results out of these pallets.

I can also vouch for staff whom I have met, who are so excited. There's one fellow in our southwest regional office who is responsible for the Lambton model, and he says he has been waiting all of his life to do this. He's so excited about it. He knows it's going to be so good for that community.

Do you want me to go on? How much time do I have left? We need a clock.

The Chair: You have another four minutes, if you choose.

Hon. Mrs. Chambers: You would like to get—

Mr. O'Toole: No, no, we can just dialogue.

Hon. Mrs. Chambers: OK. All right. I was not ignoring Ms. Horwath's other issues. I look forward to your specific questions. I think I may have touched on some of the issues that you raised.

On the subject of children's mental health, that's one that's really very troubling to me. As Mr. O'Toole men-

tioned, the occurrences in terms of diagnoses are troubling. We are hearing one in five children and youth under the age of 18 being diagnosed with some mental health condition or other; some less severe, some very severe. Those numbers are in fact quite troubling. Don't you think that's high? It's higher than I would have thought. If we look around this room, it suggests that we probably have some people in here who need help, with that kind of ratio. It's very troubling, and it is going to place huge demands on the system to provide supports for our kids.

We have, as I mentioned earlier, invested \$25 million of new money in children's mental health services, growing to \$38 million this year. Approximately half of that money has gone to ensuring that we find ourselves capable of recruiting and retaining, because the majority of people who work in these fields don't make huge salaries; and the other half have been used to introduce more than 100 new programs and expand on about 90 other existing programs. I had a delegation from Halton who told me on the subject of children's mental health that what they're hearing from their constituents as their biggest challenge is navigating the system. There are so many service providers out there. There are so many opportunities for us to help parents navigate the system more effectively because there are so many services out there. We will work on that.

The Chair: Thank you very much, Minister. We will now begin 20-minute rotations, if everyone is agreeable. I will recognize Mr. O'Toole.

Mr. O'Toole: Thank you again, Minister. It's a very relaxed style of dialoguing and communicating. I've got maybe five issues. I'll sort of just put them out there. We'll have enough time over the remaining few hours to listen to one another and to you so that we're talking about central issues.

The first one I want to bring up is really two cases. I won't mention names, but they do tie to the themes that are developing here. One is with respect to autism. This is a case where I could get into detail if required; I'm not. But I'm going to put it on the record just to convince my constituent—a few of them, actually, who are involved in the autism issue. One parent has just actually sent me a thing; I'm reading it right off my e-mail here. This parent has a son in grade 4 and, after the school's organization at the opening of school a couple of weeks ago, she has just removed him to home schooling because there was no EA in the classroom. I don't blame that on you, but the response they got from the ministry was that there are 160 autism spectrum disorder consultants to help teachers and educators understand. They're not an EA, kind of thing; they're some other new title, probably in some contract, a job description, blah, blah, blah. Do you understand? This implementation transition will be something we need to keep an eye on.

I don't say that critically. Having quite a bit of time and having had five children, a couple of them involved in education, I'm concerned that we get it right. Forget the turf stuff. Children with special needs—even Mustard-McCain said early intervention and identi-

fication are absolutely critical in all of this. So I think, to be complimentary, you are doing the right thing. There needs to be some flexibility out of the current model. There's a pretty rigorous model to flow some funding there. Who flows it from what ministry—the children's treatment centre is a perfect example. You get almost little silos operating in the same building because they're funded from different ministries. Not to criticize the few children's treatment centres—Grandview is highly regarded in my area, so I would not in any way criticize that.

I do know that the service providers—I have met with Kinark and others, and this whole idea of who's kind of organizing this maze, as you described it, to access services, assessments, how many assessments do we need to have done, aren't they expensive, who's paying? It's a lot of red tape in this whole diagnostic and legitimizing the diagnosis as being at some state, whether it's some level of—they use code language, so I won't try to go there. I don't say it critically. We could get stuck throwing a ton of money at it without fully engaging in the problem. There's a whole level of severity I'm not qualified to talk of, but when you throw numbers out, like you've got these 160 people out there—actually, what are they doing? You've got the Ph.Ds. and you've got lots of money tucked in there. It all breaks down as wages and benefits, technically, and I would hope that we're not building another level.

What are the expected outcomes, ultimately, Minister? In best practices you usually say, "Here's the investment. Here are the expected results. Here's how we measure them objectively, independently"—whatever. That's kind of why I'm interested in it. I support it. It's real, so you can observe it and go on from there.

1430

The other case: under the autism file I have—and I will be very careful not to mention anyone's name because I have been criticized in the past; I'd like to respect my constituents—but in this case let's say very competent parents. Let's say that, with some qualifications that would be appropriate, they have kind of an individualized funding agreement. I don't know how that works. In their early intervention they've identified—they're trained. They're professionals, maybe even in this area. They've got the therapist who comes in and then is off for a couple of days, and then they get another therapist, who knows nothing about the child. In other words, they want the money; they'll run the program.

I know these are anomalies that will come up, but this is what I think is individualized funding, self-directed almost. If they've been identified and, "This is how much you get for this particular case," and they're qualified and competent by some measure or mechanism of figuring this out—I can bring this case up because it has been talked about in the House before specifically, and I was roundly criticized for using their name. But the reason I say it is, "Train the trainer" is what I think. It's great to have a degree in some particular speciality. Mine hap-

pens to be a general kind of degree. I know a lot of things about nothing or nothing about a lot of things. Which is it?

I guess the point is, that's the point. If the individual parent, for life, is committed to that child, and we're going to invest considerable amounts of money, and through some mechanism we know that the family, if it has the supports, will survive, and without the supports it could cost all of them the roof over their heads, I would say we need to consider a parallel model in a pilot setting where parents are allowed to be trained themselves, because they're going to have it forever. Through some socialization process, they're going to have to live with it, so they may as well be part of it, and not somebody with a Ph.D. qualifying them to do a lot of nothing, because they won't be doing it. They'll be carrying a briefcase and going to conferences and making about 200 a year. That's the way it works.

So the real people are going to be just other people like me—hopefully not that bad. Hopefully, they'll be people with reasonable incomes and committed to that 8-to-4 thing; not too many weekends or evenings or the union will be upset about it. Train the trainer. Get some of that parallel system so we can evaluate the expected outcomes. Those outcomes could be done by the qualified master's degree with a statistical degree saying, "You've got the three boxes, so you're getting 75." Do you understand? You can evaluate the outcomes, which is important.

Allow the parents to be educated. Here's the choice: individualized funding. Get your own psychologist who can give you some guidance about models and little modules by which you can deliver these things. I won't go into it too much, but this idea that one size fits all doesn't work. It doesn't work in education. Twenty kids in the class is fine if all the kids are from a certain kind of socio-economic background and academic abilities. If you've got a bunch of little rascals there, maybe nine are too many.

The second specific case—and I may write to you and ask you to look into it—is the case of a child where under court order there were visitation rights granted. This 12-year-old child was at Falconhurst. There have been letters on this and other kinds of correspondence through the CAS in Durham. Both sides have lawyers now and are spending a fortune. This is a court-ordered visitation issue. I don't get it. My impression, from the one phone call I've had directly with the director of children's aid on this, is that the suggestion was that the case worker had kind of dug their heels in: "That's what we're doing. You're powerless here." When you're dealing with that kind of bureaucracy, you are powerless. They've got all my money to spend, as well as your money. Do you understand?

Then I go in here, and I want to look at the estimates themselves. I'm actually looking here specifically, so this is kind of a notice. If I look at page 27 of the estimates, it just shows me, under legal services—you're responsible, so I suppose you can tell me—that we're spending that

whole amount, \$2 million. I would think most of that's providing badly needed protection for the ministry under these circumstances. But if you look through here, one of the things that I see as being cut significantly throughout almost all of the sub-tier sections of the budget, as it's structured, is transportation and communication. It's been completely whacked in almost each of the little files. If you look on page 41, and you're looking at "Children and Youth Service Program Operational," it's being cut by 28.2%. I don't know if those are transfers to other areas.

So I put that whole legal thing as part of what I think the CASs are into. If you wanted to provide the committee—and I could put this as a formal question: When we call it "program service money" through the CAS or other service providers, of the total \$3-point-something billion, and how it's put in there as operational money or service money, how much are we spending on legal services? You've told me there were 21 cases. You've got them solved. These are orders that the Ombudsman has been engaged in and the auditor has commented on. How much are we spending on legal services or some other mediation arbitration process that we need to go through? Do you need a minute?

Hon. Mrs. Chambers: On that, I would be happy to get back to you with an answer to that question.

Mr. O'Toole: That would be for all members of the committee. Just give us a flavour of it. We're here to say "Let's make best use of providing services," not consult and surround with various litigation mechanisms.

Hon. Mrs. Chambers: I understand. So can I commit to bringing that back to you tomorrow?

Mr. O'Toole: Sure. No problem. No big hurry. I'll just put it in the big file.

You said there were 19,000—

Hon. Mrs. Chambers: Are you also going to give me the opportunity to address some of the other items you have raised? Because there have been a few.

Mr. O'Toole: Yeah. There's just been two that I've started.

Hon. Mrs. Chambers: Should I go ahead now?

Mr. O'Toole: Sure.

Hon. Mrs. Chambers: I would like to speak with you about the idea of giving parents funding and training. Certainly, training for parents—to help them understand what to expect in terms of their child's behaviour and how to work, like you say, not at the Ph.D. level, but certainly at the quality-of-life improvement level—is something that a number of our agencies are doing. I actually met with one service provider who has been placing very significant emphasis on just that. I was really happy to hear that, because I think that's very important.

Can we do more? I think we can also tell parents about some of the courses that are available. One parent wrote to me asking about formal courses that are available. They made reference to a course that's available in some of our community colleges. I think it's a two-week course, or a relatively short-term course. As you say, it's not going to make them therapists, but it would certainly go a long way to helping them to understand how to work with certain types of situations.

Mr. O'Toole: Many of these parents, as you probably know, are super-engaged.

Hon. Mrs. Chambers: Certainly. Absolutely.

Mr. O'Toole: They have gone from watching television and having a coffee to absolute activists.

Hon. Mrs. Chambers: Yes. I understand.

Mr. O'Toole: Good data is to harness that.

Hon. Mrs. Chambers: Yes. I agree with you.

I'd like to just tell you about what we call direct funding agreements. Approximately 30% of our funding is through what we call direct funding agreements, where parents will choose to establish their own service program and secure services from private providers. It's very important for me to explain to you how that works.

Mr. O'Toole: I have a reasonable idea. This one particular case is involved in that.

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Hon. Mrs. Chambers: Well, let me tell you, because I didn't understand how it worked. I dug and dug and dug until I think I now have a good understanding, and I've reviewed the guidelines as to how that works. I think it's really important for parents to know that this is not an end-run of other service approaches. You did mention that we need more than one model. This is in fact another model. There is one model whereby the regional service provider works with the ministry's regional office etc. in defining and designing programs for families based on the assessment that is done. There are nine of these regional service providers associated with our nine regional offices. They are very successful and effective service providers.

Once they get to the top of the wait list for service, parents are able to choose whether they would like the direct funding option or have the services provided to them through the regional program. Here's how the direct funding approach works: If a family chooses to receive funding to purchase IBI services from a private provider, the regional program will determine eligibility for intensive behavioural intervention services; determine the service/intensity/setting/duration of IBI required; give the family information about the funding available, including the hourly rate for services and supervision; and refer the family to the Autism Society of Ontario for information about private service providers. The family, of course, is responsible for selecting and contracting the private provider, not the program. However, the regional program will approve the service provider, so this is not going to undermine the quality of the care that family receives. The regional program will also develop a funding agreement with the parents that, at a minimum, identifies the level of funding provided by the regional program, the approved level of IBI service, the supervisor for the instructor therapist providing the service, the level of supervision required or expected, and any other information required from the parents and/or the IBI service provider that will aid the regional program in monitoring IBI services. The regional program will also administer the funding according to the funding agreement and reconcile any unspent funds, reassess the

child's progress and continuing service needs at least every six months in collaboration with the supervising psychologist of the private program and the child's file, and will provide transition supports if requested to do so by the family. These programs are in fact in place and are used in about 30% of the cases.

You mentioned transportation costs. I can't remember which particular file you were looking at, but certainly one of the areas where we have not spent as much on transportation as we had budgeted for is the youth justice area, where we did not have a really good sense of what we would have to pay out, and contracts that we have been able to establish with the Ontario Provincial Police to move the young people in the system between locations have worked out far more favourably than had been anticipated. That's another example of some of the experience that we have had as we have been taking files away from other ministries that were more integrated. For example, youth justice files were more integrated in the community safety and correctional services type of scenario.

The Acting Chair (Mr. John Milloy): Minister, just to let you know, you have about one minute.

Mr. O'Toole: I just want to get a couple of extra items on the record here. That would be helpful. I would encourage you to review those line items under "Legal Services," for youth services.

Hon. Mrs. Chambers: We will do that.

Mr. O'Toole: Every one of the Best Start program—they all have cuts to transportation and communication. Maybe you're getting Internet up and running, and real-time conferencing.

Hon. Mrs. Chambers: I think that's a good thing, because it means our dollars are going to care.

Mr. O'Toole: Exactly.

A couple of things. The reduction in Early Years centres—that's actually a very good program, and it also ties into your strategy on child care.

The Acting Chair: Mr. O'Toole, you have about two seconds.

Mr. O'Toole: Is it two seconds? OK. I'll ask for unanimous consent for more time.

The reduction there is about \$18 million. It's operational money for Early Years centres. That ties into hard-to-service areas like Port Perry. It's a rural area. It works effectively. It would be difficult for any of the schools to integrate. In all cases, large urban, your footprint works for attachment to schools or whatever. Rural, it's difficult.

The Acting Chair: Mr. O'Toole.

Mr. O'Toole: I appreciate that, Chair.

The Acting Speaker: Ms. Horwath.

Ms. Horwath: I have maybe three or four specific questions back to some of the special-needs issues, and they are ones that I think are fairly clear.

The first one is around the additional funding for the in-home and care supports that is coming out of that \$10 million. I met recently with a family in Hamilton, the Bassets, who are very concerned about their ability to

cope with their special-needs child. The child is just a baby; she's only 13 months old. Her name is Treva. She has a number of complex care problems. Some of them are specifically medical problems, and so there is a double problem in that the amount of medical supplies that they're able to access is being reduced, which is putting more of a burden on them physically in terms of their ability to cope with the needs of their child. There are a number of things that they receive, but they also receive special services at home in terms of respite care and those kinds of things.

I guess my question around that is fairly specific but twofold, and that is, will any of the dollars being flowed to address children with special needs in any way pick up some of the piece that's not being dealt with by Ministry of Health dollars? If not, will you advocate for that? Secondly, apparently there have been significant cutbacks in or underfunding of respite care or special services at home for families. Will that \$10 million address some of that problem?

Hon. Mrs. Chambers: I'd like to have one of my senior ministry officials speak to the \$59-million announcement made by the Minister of Community and Social Services.

While they're coming forward, I would like to let you know that we have also named a number of inter-ministerial committees to look at ensuring that there are transition programs and plans in place as our children and youth get older and move out of this portfolio and into, for example, community and social services, or where there are joint interventions between the Ministry of Health and ourselves or the Ministry of Education and ourselves, or others. So there is definitely work being done there. It is not finished work, Ms. Horwath; it's work underway. But we recognize the need to do that.

Ms. Horwath: OK.

Ms. Wright: I'm going to ask Assistant Deputy Minister Terry McCarthy to come up and speak in more detail to your question, Ms. Horwath. This is my second week on the job, so you'll have to excuse me if I'm a little behind.

Ms. Horwath: No problem.

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Mr. Terry McCarthy: Thanks very much for the opportunity to provide a response.

The Ministry of Community and Social Services very recently announced a major initiative, an increase of \$59 million to support developmental services needs in the community. Of that \$59 million, specifically \$8.5 million was directed at special services at home.

Ms. Horwath, we fully expect that that \$8.5 million will go a significant way to resolving some of the difficulties and waiting lists we've had in special services at home across the province. In fact, we'd expect that the majority of that money would be directed at children.

Ms. Horwath: Great. Waiting lists are a problem, but I guess apportioning of care is a problem too. For example, when the pot was depleted, parents were told, "We have enough to pay for 25% of what you're eligible

for in terms of assistance." What you're saying is that this \$8.5 million from the \$59 million from MCSS is going to be able to fill that gap, not only from what has been depleted from parents who have some service now, but also whoever's on the waiting list. Is that right?

Mr. McCarthy: It's partly true. I don't think there's been any depletion in the program. Quite frankly, the special services at home program has been increased. I believe, in nine out of the last 10 years, SSAH had significant increases year over year.

This, as you know, is one of the most popular programs that we, as a government, offer. It is an individualized funding respite care program that offers significant flexibility to families. There is a great demand for this program partly because of its flexibility, but there is a fixed pot, and year over year local ministry offices have to make decisions proportionately to need.

I don't believe any families in Hamilton as a group would have had their allocation reduced, quite frankly, unless there was a significant increase in the wait list.

Ms. Horwath: That might have been the case, because my understanding from this family is that they were actually told that although they're eligible for more service, there's no money left in the pot and so they're only getting about a quarter of what they would get if the pot were full.

Mr. McCarthy: The pot is full, to be fair. I think it's absolutely true when you say that when we assess the needs of folks against what we have available in special services at home, there is almost invariably a gap if we expect special services at home to fill that full gap; in fact, we don't. We expect a number of other programs to come to the aid of parents. One of them is ACSD, which is, as you know, income-tested. Parents are eligible for up to \$400 a month based on income to help them meet the needs of their special-needs child. This is an increase of up to \$25 a month from six or so months ago.

As well, we have many community-based respite programs which are almost always available to families in the community. SSAH currently is a program of last resort. So we expect families to be served as much as possible by community-based programs and then SSAH is seen as a top-up to the best extent that it can be.

Ms. Horwath: I appreciate that, Terry. Thanks very much. Unfortunately this is one of those extremely severe cases where this baby needs 24-hour care and the medical side is not—again, there has been cutbacks there in CCAC. That's a whole other issue.

I just wanted to be sure that that \$8.5 million is going to special services at home. I think you've indicated that in fact it is, and that should relieve some of the pressure, which is good news. So I appreciate that.

Can I just ask another question? That's around the autism piece. Again, as always happens, you'll get the specific cases from your own community, but I was approached by a Mr. Disipio, who was wondering what—you talked about the future in terms of the work that you're doing to train people to provide services when children become of school age, and that's good news. But

what they're experiencing now is concern over the fact that although every two or three months their cases are reviewed and no flags go up, as the children are approaching the age of six, all of a sudden, notwithstanding no mention of anything during their progress reports, they're told that the IBI treatment is not benefiting the children any more. Technically, they're not being told, "Your child is now almost six and will not be eligible for IBI." Instead they're being told, "Your child is no longer benefiting from the IBI treatment."

I guess I'm just not understanding what the message really is. It seems to me that the work you're doing is positive work around making sure that there are more resources available to families and children in terms of personnel who have training in IBI treatment. On the other hand, we're still sending the message to families that IBI treatment is not something their children are benefiting from.

So can you just clarify for me what's not matching here in terms of, on the one hand, saying, "IBI is important; we're getting more people trained in it so that kids can get that when they're in school," and yet as kids are reaching that age of going to school full-time, they're being told, "You're no longer in need of IBI because it doesn't do you any good"?

Hon. Mrs. Chambers: Thanks for the question. I need to clarify one thing to start with, and that is that the college program will actually provide therapists, not just for in-school support but certainly for therapy.

Ms. Horwath: OK.

Hon. Mrs. Chambers: The other thing I need to make very, very clear is that we are not aging out kids, if that's what you think people are hearing.

Ms. Horwath: I don't think they're hearing—

Hon. Mrs. Chambers: So if there is an assessment—

Ms. Horwath: Can I just clarify, Mr. Chair, because I don't think people are hearing that kids are aging out.

Hon. Mrs. Chambers: Or experiencing.

Ms. Horwath: Instead, parents are hearing a specifically different message, however de facto, that means "your child is aging out." So the language is not, "Your child is aging out," but the language is, "Your child no longer is benefiting from this treatment." It just so happens that that language is being applied to children who are in fact reaching that age.

Hon. Mrs. Chambers: I think it's really important for me to say to everyone here today that when we talk about assessments being done in a consistent manner, we mean assessment tools being used to determine exactly what kind of intervention a child needs at their particular stage in life. That stage could be anything—not necessarily age. The assessment tools that we have asked providers to use are not age-specific tools. They are tools that measure progress, for example, of kids who have been in treatment. I have spoken with regional service providers about their experience in using these assessment tools, and that's what they are. They're meant to be assessment tools that say, "This is the kind of progress being made or

not being made," and, consistent with that assessment, "Here is the kind of care we would recommend."

We have not given service providers direction on what the results of the assessment should be. They do those assessments based on the tools that they're utilizing and their expertise. So we don't have anyone in our ministry determining what kind of care that particular assessment should drive. This is a model that is being developed with the service providers, and this is what I mean when I say that assessments are to be done in a consistent manner.

Ms. Horwath: So can I ask, then, Minister, just to finish that piece off: It is no longer the policy that children age out at six in terms of IBI treatment, so it is feasible that children will be able to continue to get IBI treatment after the age of six at this point in time?

Hon. Mrs. Chambers: I'm going to actually read from the directions that we have sent out.

Ms. Horwath: Do you know what, could I just get a copy of those directions?

Hon. Mrs. Chambers: Sure, absolutely.

Ms. Horwath: That might just speed things up, and that would be perfect. That way, I'll just have it.

Hon. Mrs. Chambers: It's now on our Web site—

Ms. Horwath: Excellent.

Hon. Mrs. Chambers: —and we would actually encourage and value the delivery of this kind of information broadly, because we have said, "Here are the guidelines that have existed prior to this," and we have said, basically, "Delete all references to age." That's the highest-level summation I can give you. In fact, it's entitled "Notice - Non-application of Age Limit for Program Eligibility."

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Ms. Horwath: OK. We'll leave it at that. I'm just concerned that there's a subtext there that families are experiencing something that says—even though the letter of the law, if you will, is that we're not aging out at six, I think what families are saying is that they're experiencing something similar, except they're calling it "lack of effectiveness of the treatment," or something of that nature. I have that on the record. It's important, and we'll follow up with that to see—perhaps there's a transition phase that's happening right now—what happens over the next little while on that issue.

The Chair: Ms. Horwath, would you like a copy of the ministry memo to the regional offices that reflects that?

Ms. Horwath: I've asked for that, Mr. Chairman.

The Chair: OK, and we will make note of that. If you can have that prior to the start of tomorrow morning's session, that would be appreciated. Thank you.

Ms. Horwath: Do I have a little bit more time?

The Chair: You have another five minutes.

Ms. Horwath: Good.

The next one that I want to raise with you is very quick, and that is the issue of screening. I attended recently a fetal alcohol spectrum disorder public meeting in Hamilton and found that in fact the screening for fetal alcohol spectrum disorder is something that can be done

with young children, and the earlier that this disorder is caught, the likelihood of better outcomes for children is significant. I know that we all supported Mr. Parsons's bill in terms of making sure that posters and notifications are up in places where alcohol is being sold, but that's only one small, small piece of a range of things that needs to be done to make sure that this absolutely 100% preventable disorder is addressed in the province. Is fetal alcohol spectrum disorder part of your screening process, and if not, can you add that or see if there's a way that we can begin to look at how that might be done?

Hon. Mrs. Chambers: I'm pretty sure I have seen it—is it on the Best Start list? Where is Lynne?

The Chair: Please identify yourself for the record, and then respond, please.

Ms. Lynne Livingstone: I'm Lynne Livingstone, with the Ministry of Children and Youth Services. We have a number of programs that do early screening with families, like Healthy Babies, Healthy Children. One of the screens there deals with a prenatal screen, and it does look at issues of alcohol and smoking and a couple of other things. It's a very quick screen and it's meant to highlight where there might be families that are experiencing issues. That's the first screen that's part of Healthy Babies, Healthy Children.

The second screen that's available is called the Parkyn screen. This is done in hospital postpartum. That's another opportunity to identify issues for families. It's not limited to fetal alcohol. It looks at a variety of issues that can impact on a child's development.

The other piece I'd like to highlight, though, is in the Best Start plan. We're looking to have, as part of the long-term vision, an 18-month well-baby visit that's standardized across the province. The reason we're doing this is that that is another early opportunity to be able to identify families that might have issues and concerns. It's another opportunity for parents and primary care providers to sit down and talk about that child. We have an expert panel that's working right now to give us advice on what that visit should look like and what kinds of things should be discussed. I know they are looking at what kind of standardized tool to use in that visit would help to identify a number of issues for families.

Ms. Horwath: Can I just follow up, then, Mr. Chairman, by asking, in terms of the postpartum screening that was mentioned, is that universal? Is that done with every—

Ms. Livingstone: It is offered to every new mother in the hospital. They have to consent to participate with the screen.

Ms. Horwath: So it's not universal; it's a matter of—

Hon. Mrs. Chambers: It is available universally. Whether or not they accept it is their—

Ms. Horwath: But it's not automatic.

Hon. Mrs. Chambers: It is offered automatically; it is not mandatory. So they can say, "No, thank you."

Ms. Horwath: OK, because when I attended the public meeting on this particular issue, it seemed to me that a big part of the gap was around parents' willing-

ness—not necessarily willingness, but a level of awareness for moms particularly not only to not drink during pregnancy, but also to get involved with or attached to programs like Healthy Babies, Healthy Children. I don't think that every single mom and every single baby in every single community is connecting with that program. I come from the municipal sector, so I can tell you they're not. That's not to criticize the program—it's a great program—but it is to say that there are thousands of families that don't or won't or aren't able to, whether it's an income issue, a cultural issue, language barriers, whatever. Who knows what the issue is, but there are a lot who are not. How do we fill that gap and prevent this preventable disorder from happening? Maybe that's rhetorical; I don't know.

Hon. Mrs. Chambers: No. Part of our investment is to improve communication of these opportunities. We see them as opportunities. We're not prepared to mandate them. Having said that, I think as people become more comfortable, hearing from their friends that it was not as intrusive as they thought it would have been or something like that, there's a greater chance of it being more widely utilized.

Ms. Horwath: I guess part of the problem is that it's a stigma if you're going to be screened or you're going to be talking to a public health nurse about the fact that you drank during pregnancy and you could have caused a disability to occur in your child. I guess there are some pieces we need to get around to make sure that we find ways of talking about this that take the blame away and make it about how to make sure we can provide the supports that child will need over their developmental years and onwards, to be able to lead a full and productive life.

The Chair: I would like to recognize Ms. Di Cocco, please.

Ms. Di Cocco: First of all, I want to thank the ministry. One of the things that happened in my area with regard to children's mental health was that there was a program called Family Solutions that I believe was cut in 2002; it was removed. It was one of those preventive support systems that was shown to be really effective in dealing with some of the high-risk children and families. The program was funded again in 2003-04, I believe it was, and it meant a great deal in my community, because it certainly helped to provide that support system that looks at working out solutions in a preventive way with these high-risk families and high-risk children.

On another matter, in my former capacity as parliamentary assistant for children and youth, I learned a great deal about the variations and degrees of autism. One of the aspects that I learned was, first of all, the complexity in this spectrum, and as I said, there is a great degree of difference in the spectrum. I guess the most serious aspect for me was that I learned that this is increasing, and also that we really don't know what's causing the dilemma. But compounding our ability to deal with the service, with the need, was that we really needed to build capacity on many fronts when dealing with autism.

Again, I don't want to say the basket of services, but certainly it requires an art to be able to provide services to the families and the children.

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I guess what I'm asking the minister is—there are a lot of matters in dealing with capacity. There's a lot of need and it's growing. Because we understand there's a great need and that it's growing, we must be able to provide for the future in dealing with that increasing need. What are we doing and what programs are being developed so that we can fill that capacity? Could the minister enlighten me and the committee on what's happening there?

Hon. Mrs. Chambers: The matter of capacity building has its celebratory moments, because we know it's coming. It also gives me cause for impatience and frustration because, as you say, you can't just simply snap your fingers and have these resources available. But we have certainly started down that road.

The 100 students who are in the new college program now will represent—without any other growth in the system in terms of therapists coming from anywhere else, we will be moving from a current roster of about 535 or 537 of those instructor therapists in place right now. Like I said, there are supervisor therapists, there are program directors, but in terms of instructor therapists, just think, moving up from 535 or so, even if some people drop out of this program, we're talking about a potential for a 15% to 20% increase in the number of therapists by the spring of next year just from the addition of this program. By 2008, we're anticipating that there will not be 100 students but 200 students in that program. This is true capacity building. It's not short-sighted, it's not short-term, and neither is it compromising quality by just saying, "Anybody who thinks they have an idea of how to do this, come on board."

We have also recognized that we need to increase the level of expertise at other levels beyond the college program. We are funding grants for students who are interested in pursuing that at the master's level and at the doctoral level.

I should tell you, for the college programs, the grants that are available are up to \$5,000; for the undergraduate and master's programs in universities, there are grants of up to \$12,000 available; and for doctoral programs, there are grants of up to \$24,000 available. As of the end of August this year, we've received 57 applications for instructor therapists, senior therapists and clinical staff. Twenty-four of these applications have already been approved and the remainder are being reviewed for eligibility. Again, that's capacity building.

You made reference to numbers growing and learning growing. We thought it was very important—and this is another thing that I had worked on with my predecessor when I was Minister of Training, Colleges and Universities. In the very near future, we should be in a position to announce the research chair.

There is actually not enough information on autism spectrum disorder out there. Like you say, it is a very complicated condition. This is why it's so important for

us to recognize the importance of a continuum of services, the need for our children and youth to not simply have one kind of service and nothing before or after.

As someone else said, parents are going to have to live with these kids all of their lives. These kids need our support and the families need our support. There are a variety of supports that match the variety of assessments along this spectrum. It is in fact a very complex disorder, and it's really important for us to recognize that the supports required are longer-term as opposed to shorter-term. There are different types of supports that are known to be valuable, and through the use of consistent assessment processes and tools, we hope to get this to the point where we get this right for the children who need this kind of support. Somewhere in the order of about one in 160 kids is being diagnosed with autism or some kind of autism spectrum disorder, some of them more severe and some of them less severe. But again, I cannot emphasize enough the importance of recognizing that just as this is a spectrum disorder, we need to be able to provide for a continuum of services that in fact match the assessment of a child, not just once, but maybe every six months, periodically, to see how that child is progressing or not.

Ms. Di Cocco: Thank you, Minister, for that. My colleague will continue the questioning.

Mr. Wilkinson: First of all, congratulations, Minister. I'm sure it's exciting to be part of what I think people will look back on as being a historic ministry, because we are making a change that I think will be permanent in the policy culture of this province, to actually have a ministry dedicated to children and youth. I know that as you are busy picking from other ministries to try to get that ability for us to deal with all the issues that children and youth are dealing with, your managerial experience is going to come in handy over the next year or so.

Hon. Mrs. Chambers: Yes, every bit of experience.

Mr. Wilkinson: I couldn't speak to the minister without first of all just acknowledging and saying thank you on behalf of my constituents for the decision to increase the funding to the Rotary Respite House in Stratford, which serves families in Perth county with children with multiple disabilities. It allows these families to have their children spend a weekend away in a very warm and loving setting and give their family members a break, which is just so important when you have children with multiple disabilities. It's all designed, actually, to keep families together.

What I wanted to touch on are two issues, the first one being Best Start. I can report that when I made the announcement locally in St. Marys in front of our day-care centre, which was a former school, a not-for-profit centre run by the community, it was very well received. But my municipalities have expressed some concern about this—I know you addressed it AMO—their fear that they are going to do all of this, and of course we're in a hurry to get this done, and that maybe five years from now the federal government, which is such a valuable partner in this process, could turn around and change their opinion on this and they would be left with

this. I just wonder if you could share. I know you had quite strong opinions about this that you expressed at AMO about the need to get it right.

Hon. Mrs. Chambers: It is very important that we get this right. The planning that's underway right now with the October timeline is primarily about 2005-06, and there is more planning underway to take us beyond 2005-06 for the first three-year, \$1.1-billion announcement. The full five-year announcement is \$1.9 billion, but the first three years is the \$1.1 billion. In 2005-06, the pressure is even greater, not just because there are families on waiting lists and not just because we want to prove that we can do this well, but also because the federal dollars for 2005-06 are actually in the form of a trust, so that when our municipalities are in a position to spend these funds, these funds will actually be disbursed. I acknowledge it's going to be difficult. For example, the funds are stipulated for capital and operating. Some of the capital initiatives that have not yet been defined would be rather difficult to get up and spending, if you like, as quickly as we'd like them to happen.

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I am not backing off, because I want our municipalities to be as aggressive as possible in terms of bringing forward plans. But should they be concerned about five years from now? I would say, worry about this year, worry about being as aggressive as possible this year, so that families can start to see that benefit this year and so that we don't leave any money on the federal table for this year. Now, come 2006-07 and 2007-08, we will not be dealing with in-trust funds. We will, in fact, be given a budget. The plans that are being worked on by the municipalities and our ministry now will be, if you like, more under our control to exercise and implement than the others.

We also announced that while traditionally municipalities have been required to share 20% of the cost of child care for the purpose of these dollars, the province is relieving them of that 20% share. In the first three years, that will represent \$208 million that they will not have to spend. That would have been their 20% share. We had concerns that if we had to get 20% from them, it might detract from their ability to move aggressively on expanding these spaces and funding these extra spots. So I think it is a good-news situation and, yes, they are stressed; we are stressed. My counterpart, federal minister Ken Dryden, is a wonderful federal counterpart to have. I have spoken with him already about our concerns that we don't want to leave any of these federal dollars on the table. I don't want anyone to back off the aggressive approach to planning that I have asked for. Maybe that's also a reflection of my business background. But I think our kids need this and it would be very unfortunate if our families lost out on this opportunity to take advantage of these federal dollars in the first year.

Mr. Wilkinson: If we're successful over this five-year period, I think it would be almost politically unpalatable for any future government, whether here or there, to actually turn around and say, "That's something we're

going to cut. We've had five years of success, but really, we have to get out of this." So success will breed, I think, the political will to continue this program, though it's only initially for five years.

Hon. Mrs. Chambers: Absolutely. When I had that discussion with Minister Dryden, he actually used the word "entrenched." So the municipalities, the province and the federal government are on the same page with this. We all want to see this work, because we want this to be permanent, we want this to be sustainable, and the best way to ensure that is, we think, like you said, to make it such a success that it would be unpalatable for them to withdraw this support.

Mr. Wilkinson: If I could just change the topic, I've had a number of constituents come to me about grandchildren of theirs who have been placed in protective custody, where the parent has lost custody. I might add, on a different topic but somewhat related, on behalf of one of the 72 families—one of them was in my riding; thank you for moving as quickly as you could to resolve that. It has meant a great deal to that family that mom has custody. She did the right thing to look after her child. It was heart-wrenching. You have to be Solomon in some of those decisions. She made the right decision, and finally we are able to support that.

Just going back to the question, I've had grandparents who have come to me. It's very difficult for them. You know, it's blood, it's their family. They feel that they should have the ability to plead a case to be able to look after their own family member. Obviously, their child is not in a position to look after the grandchild. That's obvious. In my own riding, where we were having a plague of crystal meth amphetamine problems, this is very important. Their children are being exposed to very dangerous situations. I applaud the children's aid society for being able to act proactively to save those children. But that doesn't mean that their parents, who are not addicted to this terrible drug, are any less fit. I think they are actually more qualified and can provide more stability for their grandchildren and still have that connection.

You've talked about some of the reforms you're looking at. Could you just help me with that question, about trying to have family members be given a greater priority if it's in the best interests of the child?

Hon. Mrs. Chambers: Absolutely. Certainly, I have also read some trenchant stories about grandparents, letters from grandparents who have said, "Had we known our grandchildren were up for adoption, we would have dearly wanted to play a role. We would have been happy to have them." As a grandmother myself, I don't know what I would do with myself if I were in that position. I just cannot imagine that kind of situation. Here it is, for whatever reason, the parents of the children have proven to be unable to take care of their kids, but there are grandparents who would like to be able to play a role there.

Bill 210 is what my predecessor, Minister Bountrogianni, introduced. First reading was June of this year.

The primary focus of Bill 210 is exactly what you're talking about: making adoption more flexible for children by allowing more children to be adopted while keeping important ties to their birth family and community; creating more legal options beyond traditional adoption so children and youth can be placed in a permanent home; making the process consistent for adoptive parents by simplifying the application process; and creating a province-wide registry to help match children with prospective parents and supporting families after an adoption.

I remember one of the early briefings I had after becoming Minister of Children and Youth Services. I looked at some of the numbers of foster care days and group home days, and they seemed to take up—I'm exaggerating a little—but it seemed to take up this amount of the line on the page, and then when it came to adoptions, it seemed to take up this amount of the line. I thought, "What's wrong with this picture? Is this the best that we're doing for our kids?" So I was pleased to have the opportunity to become more familiar with some of the issues that we are addressing through the proposed legislation, Bill 210, and I look forward to the continued passage of that bill through the Legislature.

The Chair: I'd like to recognize Ms. Munro.

Mrs. Munro: Actually, I want to follow up on the question that Mr. Wilkinson raised a moment ago. When I raised it in my earlier remarks, you mentioned in your response the amount of time that children spent in a foster home and how much better it would be if they were in a permanent setting, with which I agree, obviously. But the question I had when I raised the issue of making adoption more flexible—in your original comments, you talked about keeping ties with the birth family and the community. My question then, and I'll just repeat it, was that this is a significant departure in maintaining ties, because it's my understanding that one of the reasons why adoption has been slower to happen in this province is because of court-ordered visitations and things like that that had to come to some kind of natural conclusion, and then the child was able to be eligible for adoption.

All I want to know is where this kind of flexibility has occurred in other jurisdictions, and the success, in terms of increasing the rate of adoption, that has accompanied that.

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Hon. Mrs. Chambers: Well, what I can tell you—and I have made a note of your request for other jurisdictional types of information, which I don't have for you now. But what I can certainly tell you is that there are some children's aid societies that are doing a lot more in the area of adoption and there are some that aren't doing any. Some of it is that measurement that we spoke about, helping our children's aid societies to understand our priorities as a government and also providing some supports so that it will not be as difficult for them to consider—we're expanding front-end intervention and investigative options; we're delivering a continuum of permanency options; we're encouraging alternate dispute

resolution as opposed to parents having to go to the courts all the time.

Incidentally, when I put my business hat on, I say that this will also free up money from those legal types of costs that we can spend on caring for our kids. It makes sense to me. I think, all around, it's a win-win opportunity that's actually going to serve our kids better.

Mrs. Munro: As I say, I'm not objecting to it; it was just a question of—

Hon. Mrs. Chambers: Why do I think it's going to help?

Mrs. Munro: Well, I think we all want the assurance that it's going to do what we want it to do.

I want to come back to the autism file for a moment. In the materials that were given at about this time last year through the auditor's process and the public accounts process—frankly, this meeting today coincides with a bit of an anniversary of that process—there were some very specific undertakings that the ministry had at that time. It seems to me that, given the complexity of this particular file, it's important for all of us to know what has happened in the meantime.

You have talked about the capacity ability, and having new staff and training programs, and I think that's appropriate given the kinds of problems that were evident. Two issues: One had to do with the data. It was made clear to us a year ago that there were discrepancies in the collection of data, and that was shown to us to be a major obstacle in being able to develop solutions to individual problems because of the problems which were inherent, simply by the fact that the ability to collect data uniformly was not there. I wondered if, first of all, you'd talk about where we are on the internal side of data collection.

Hon. Mrs. Chambers: Yes, you're certainly correct. One of the areas that the auditor identified was the need to improve our information systems. Incidentally, I've seen that elsewhere, and we're working on it. In fact, there have been dollars allocated in other areas, including children's aid societies, to come up with standard, consistent information systems. I will ask the ADM of this area to give further details, but it's fair to say that we have addressed the information requirements so that we do have better data. We have conducted training sessions as well, so that our staff and regional service providers understand what information we require. We are holding regular meetings with providers to give them the opportunity to share the information they have from their regions and report to us on progress that's being made in their particular regions so that programs can be managed more effectively. Even within our own ministry we have identified opportunities to share best practices, and that's well underway.

Deputy, if we could have the ADM.

Ms. Wright: Thank you, Mrs. Munro, for the question. I'll ask Trinela Cane, who's the responsible ADM, to come up and speak in more detail about what we have done on the information systems. Just to reinforce the minister's message on the seriousness of ensuring we

have good information, we're seized with it not only in the Ministry of Children and Youth Services; I was previously in the Ministry of Education and it was an equally important issue there. I think, from my short period of time here, the social service system is a little bit more fragmented and therefore has quite a few more challenges in terms of just the data collection. I have had an opportunity to read the auditor's report, and I think he's made some very salient recommendations.

I'll just have Trinela update you on where we are with it.

Ms. Trinela Cane: Thank you very much for the opportunity to respond. We have made significant progress in the area of data management and identifying our data elements and understanding what is going on in our program. The Auditor General's comments in this area were extremely fair. I think to some extent they recognize the complexity of the program that we're offering. To some extent it's a reflection of the speed with which we've proceeded to try to implement autism services for children and youth.

We operate currently with two information systems. One is called the service management information system, which the Auditor General noted, and ISCIS, which is the primary case management system currently used in the autism programs themselves.

We've taken some very stringent measures in this area. As the minister indicated, we worked very closely with our service providers because, without them, we cannot provide the types of data that are critical to the management of our program. We are continuing, perhaps too frequently for our own service providers, at least on a bimonthly basis to have regular contact on a series of issues.

In the first instance, with respect to the ISCIS, we actually upgraded our system in a fairly quick and dirty way last spring to deal with a number of irritants. One of those mentioned by the Auditor General was that service providers and clinicians completing the data entry could not correct errors on the system. That was a major irritant. We have not only improved and fixed that problem, we've met with service providers to identify a number of other irritants, which were also fixed as part of our upgrades in the spring.

The minister indicated that we've undertaken training. What we recognized with the turnover in staff and the number of new staff hired was that we had fallen behind in the area of training on ISCIS. The training has gone a huge distance, not only in terms of the system improvements that were needed in the short term, but to identify significant issues that have to be addressed in our system upgrade. We are planning a further system upgrade this fall and in the next couple of months. We've worked with service providers on the requirements and we will have a major implementation. It will also be accompanied by the training that's going to be required. I think one of the things we have to consider is our long-term plans for data management for this program, specifically with our information systems.

As we indicated last year, one of our major issues as we approach an integrated children's services ministry is to determine what systems requirements we'll have across the board.

The Acting Chair (Ms. Caroline Di Cocco): Thank you, and we now go to Ms. Horwath. These are 10-minute rotations.

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Ms. Horwath: There is one last thing I wanted to touch on and ask about in regard to the special-needs file. I figure with 10-minute rotations, it's probably best to do that rather than start to ask my questions around the Best Start program.

It's about the legal services, actually, and I think Mr. O'Toole raised some of those kinds of issues. I noticed on the organizational chart on page 9 of the estimates briefing book that the director of legal services branch reports—and it lists in order—to the ADAG, MAG and DMs of MCSS and MCYS. I'm just wondering, is there a significance to the order in which these ministries are listed? It seems to me there's a lot of concern around the litigation that's happening with parents. I know you're not in a position to actually talk about that in any detail, but I'm just wondering, who gets the crack at deciding who litigates first? Is it you as the minister or is it the Attorney General's office? What's the process?

Hon. Mrs. Chambers: I'm going to ask the deputy to address that.

Ms. Wright: Just by way of context, all legal directors across government report both to the deputy of the ministry that they're assigned to and to the AG. They all have a dual reporting relationship. On the very specifics of your question, litigation is managed by the AG.

Ms. Horwath: By the AG's office—

Ms. Wright: They are the lead in that sense. Sorry. I have a bad habit of interrupting.

Ms. Horwath: That's OK.

So they are the lead. That was important to me. I did know that it was a dual role, and actually it's set out right in the notes, so that's not the issue. The issue is, who is the decision-maker? The reason I raise it is because I can recall when the previous minister made some promises in the Legislature, if you want to call them that, around how this issue was going to be resolved, and then, lo and behold, found out that it couldn't be resolved that way. Mostly, it seemed like there wasn't a good connection, or at least the information wasn't flowing to the place that she was up to speed or as up to speed as perhaps the Attorney General's office was on this issue. So I thought it was important to raise that.

Having said that, again, it's not huge numbers, but I notice in the estimates briefing book on page 17 that the legal services budget is being bumped up by about half a per cent but much of the rest of the ministry's administration is being cut. It's a kind of bucking of the trend when you look at all the various budget lines there. I'm wondering, is there any particular legal issue that you see looming on the horizon and therefore thought you needed to bump up that particular line? Why was it seen fit to cut everything else but bump up legal services?

Ms. Wright: In general, there is a constraint across the administrative line, with the exception of legal, as you pointed out, Ms. Horwath. That is a redirection in the priority of service delivery, which the minister noted earlier. The slight increase in legal services is not representative of a looming legal issue that we are aware of. As you're fully aware, as I am, we're in a more litigious environment in general, which means that we talk to our lawyers quite a bit when we're doing policy and program delivery work. So it probably represents that as much as anything. But the actual litigation, as I said earlier, is out of the AG.

Ms. Horwath: If I can just continue on that, would it be fair, then, to suggest that some of the drivers that are causing a necessity to bump up that piece of the budget are some of the current lawsuits that are outstanding, let's say the charter challenge around IBI and those kinds of things? Are those some of the things that result in the need to bump up those budget numbers so that you can be sure to have resources to be able to deal with those cases?

Hon. Mrs. Chambers: I'd like to take this question, if you don't mind, Deputy.

Ms. Wright: Of course not, Minister.

Hon. Mrs. Chambers: I'm just so thrilled to have this new deputy, because I'm no longer the newest kid on the block. I am going to ask you to let me take responsibility for bringing you proper answers, as opposed to what we might think on the whole legal services budget. Would you let me do that?

Ms. Horwath: Sure.

Hon. Mrs. Chambers: Thank you. I'd appreciate that.

Ms. Horwath: On page 27, on the legal services budget again, it indicates pressure is coming from a line called "Services." What does that mean?

Hon. Mrs. Chambers: That was actually the question Mr. O'Toole asked and I made a note of that.

Ms. Horwath: And you were going to—

Hon. Mrs. Chambers: That's going to be part of that package.

Ms. Horwath: All right. That's great. That's fine.

Just to finish off some of the specifics around the IBI piece, you talked a lot about the plans to train more IBI therapists, but how many IBI therapists have been hired in this year—new ones, added to the roster this year?

Hon. Mrs. Chambers: I have that somewhere. I have seen it somewhere, because I was also interested in that. I will also commit to get you that information. What I can tell you is that in the last year we have doubled the number of transition coordinators from 13 to 26. Also, between April 2004 and June 2005, we increased the number of children receiving IBI by 39%. So, as at April 2004, 531 children were receiving IBI therapy; as at June 2005, 741 children were receiving IBI therapy. The ministry is actually collecting data now on—is it a quarterly basis?

Ms. Cane: Yes, quarterly information.

Hon. Mrs. Chambers: Yes, a quarterly basis, so it's almost time for another report to show up on my desk.

We will be able to provide more up-to-date information in the very near future.

That does not answer the question of how many therapists were hired over the past year, but in the absence of having that kind of data for you, I thought it might be at least interesting to you to know what progress has been made in that area in the last year.

Ms. Horwath: Oh, absolutely. To follow up on that, do those data being reported to you on a quarterly basis include the related reduction in waiting lists? It probably isn't one-for-one, because we have more children, I think, on a regular basis identified as needing service. So it wouldn't be a direct proportion, I don't think, but would that report also indicate reduction in waiting lists or effect on waiting lists of some of these—

Hon. Mrs. Chambers: We do have a number of stats that we have been collecting and they do include the two lists: the wait list for assessment and the wait list for therapy.

I wish I could tell you that it would show the reduction in wait lists, because I don't know when we will get there. For example, in removing that age consideration, we know that the wait lists have in fact grown. That's why I say our capacity also has to grow.

Ms. Horwath: Absolutely.

Hon. Mrs. Chambers: So we are aware of that and it's a challenge that we are having to deal with. But I still think we're doing the right thing.

Ms. Horwath: And I appreciate that completely.

Is that quarterly report in any way accessible? Can I receive that or is there any way that I can have a look at that quarterly report?

Hon. Mrs. Chambers: I have learned a few things in government—

Ms. Horwath: So you can teach me, because I'm brand new.

Hon. Mrs. Chambers: —one of which is that there are no secrets.

Interjections.

Hon. Mrs. Chambers: Isn't that true? It's called transparency.

The Chair: If you're asking me, I just found it ironic that we couldn't get the expenses of the Minister of Health, but that's a painfully sensitive issue. Anyway, you did raise the question.

You have a minute left.

Hon. Mrs. Chambers: I can show you mine.

The Chair: Then, forgive me if I say you're transparent and we appreciate it.

Hon. Mrs. Chambers: Thank you.

I actually can tell you about staff hires between August 2004 and March 2005, after all. Shall I just go ahead?

Ms. Horwath: Sure.

Hon. Mrs. Chambers: Instructor therapists hired across the province are 110, clinical staff hired were almost four—it says 3.75; we may have to figure that out—let's say four, and senior therapists hired were 11. That speaks to the need to train more.

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Ms. Horwath: And to address some of the other issues around retention within the field.

Hon. Mrs. Chambers: Absolutely. Yes.

The Chair: Thank you, and the researcher has noted that that is a request. Can we have that go back from the period of time when the stats were first tabulated?

Hon. Mrs. Chambers: Certainly.

The Chair: Thank you very much; I appreciate that.

We have 10 minutes remaining, and I'd like to recognize Ms. Di Cocco, please.

Ms. Di Cocco: Thank you. By the way, I'm glad to note the minister's support for transparency. I actually have my transparency bill that I'll be debating tomorrow. It's an interesting topic.

One of the things I know is that it doesn't matter what age, whether a child is pre-kindergarten, kindergarten, school age, high school, university—I think one of the endeavours of government and society as a whole is to help that individual be the best they can be, at whatever stage that they're at. We've put in a great deal of resources and we have constantly discussed, in the past—and I go back to the days of opposition and before that, to this post-secondary and the need for that, and then your high school, etc. I would say that one of the transforming parts of our policy and what's happening in this ministry is the work that is starting to be done pre-school. I know that there's a notion, and I've heard this, "Well, maybe parents should stay home and look after their kids. We don't need to spend money in pre-school or early years." The reality is, and I think you pointed it out, that 70% of parents with children under five now say that they require some type of daycare. In my own experience, my children, the ones who have children, require daycare. Both of them work full-time. When I was raising my children, I had the privilege, or I was able to choose, to stay at home with them for a number of years.

Since that is the reality and it's not a matter of debate any more, whether or not we need early years education or daycare, I would like to understand better from you what the vision is when it comes to the Best Start initiatives that have commenced and are moving forward in the province. I think it is going to become a foundation, if you want, and a standard with which society in Ontario is going to look after its very youngest citizens.

Hon. Mrs. Chambers: I'm going to take this opportunity to correct something that I had said related to Best Start earlier on, and child care. My staff were listening and they want to make sure I get this right. This was in relation to the question of not-for-profits versus for-profits. I had said that 95% of child care spaces are in the not-for-profit sector right now. I need to correct that. It's 95% of child care spaces in the school environment that are in not-for-profit types of arrangements. My staff estimate that it's something in the order of about 80% overall of child care spaces that are in the not-for-profit environment.

I want to tell you a little bit about what the Best Start program will mean. We have talked a lot about early

learning and child care. That would include the child care spaces—not just daycare; we're talking about a learning environment with an emphasis on quality and development for the kids, hence the college of early childhood educators. That's one of the areas where we also have an expert panel at work, and we're looking forward to receiving their recommendations.

We have the Healthy Babies, Healthy Children program. Ms. Munro made reference to that as something that's not brand new. That's true. We have added, though, to the budget for that program. We want to strengthen that. We added a few million dollars in 2004-05, and \$8.35 million is what's budgeted for an increase in 2005-06.

We have the preschool speech and language program and the infant hearing program. I made reference to some of the results we're seeing there already, where we are doing a much better job at identifying these problems earlier. Remember, I mentioned the reduction in the average age of permanent hearing impairments being identified. Instead of at two and a half years old, it's now four months.

The infant development program: This is where we'd be looking at developmental disabilities or those at risk of developmental delay. The Early Years community supports and the Early Years centres would be perfect examples of that.

I have more than one Early Years centre in my riding, but I went to one's second-anniversary celebrations recently. They were telling me that they have such a huge demand for their programs that parents have to register ahead of time, and if they don't show up, not only do they get reprimanded, they are not allowed to sign up for a period of time following that, because what they're recognizing is that the demand is so great, it's just not fair, where there are limited-enrolment-type opportunities, for a parent to not turn up when another parent could have used the spot.

We talked about newborn screening. The director talked about this being universally available but not mandatory. We may not have talked about the follow-up phone call within 48 hours of the parent having given birth. We also talked about the 18-month screening program.

So, there's a lot going on there, and these panels are at work to ensure that we are doing this the right way. The expert panel on quality and human resources will have their recommendations to us by September of next year. The expert panel on early learning will have their recommendations to us by December of next year. The 18-month well-baby visit expert panel should be reporting within the next couple of months.

The college of early childhood educators initiative, we hope, will come forward in the winter 2006 session. Ms. Horwath is writing that down. I said, "We hope." Anyway, this is simply to say to you that we are forging ahead.

Some of the results to date from the Healthy Babies, Healthy Children program for the year 2004:

—92% of live births in Ontario were screened shortly after birth, out of a recorded 129,655 live births in Ontario;

—96% of consenting families with new babies received a phone call from a public health nurse;

—40% of consenting families with a newborn received a visit by a public health nurse shortly after leaving the hospital; and

—10% of consenting families received an in-depth assessment.

So this is picking up speed. I expect it to grow.

I remember when one of my sons—this was some time ago, now—came home from elementary school and called me at work. I was one of those parents who used child care—not subsidized, but used child care. My son came home from school one day and said, “Mom, I have a hearing problem.” And I said, “I know. I tell you that all the time.” But it really was serious, and it was a public health nurse in his school who identified that. It actually turned out to be very important, because what was diagnosed was hypertrophic tonsils and adenoids blocking the Eustachian tube to an ear, and the ENT specialist said that had that not been addressed promptly, the next time he had a cold, they could have become so inflamed that he could have suffocated. It got my attention pretty quickly. But it was a public health nurse in the school system who did that for us.

The Chair: Thank you very much, Minister.

Before we adjourn, are there any requests for information to be put on the record? I neglected to ask when we began, are there any specific individuals or agencies under the wing of this ministry whose attendance is requested? Mr. O’Toole.

Mr. O’Toole: Yes, I have a request for information in four areas, and I’ll very briefly read them into the record, just one-liners:

1. What is the average annual cost to place a child in a CAS placement?

2. What is the average annual cost per person of therapy and/or treatment for autism?

3. What is the expected or planned budget for the child care plan or Best Start program? And last—I think this may have been requested:

4. Is the data available for wait lists for services in a number of areas—I think autism has been mentioned, but I don’t think the data is available—but for other placements, such as adoption?

The Chair: OK. That’s been noted, and if you have any of that now, we can have that submitted to the clerk. When we come back tomorrow at 9 o’ clock, if you can give that material to the clerk immediately, he will have it photocopied for all of us.

This meeting stands adjourned until 9 o’clock tomorrow morning. We have approximately four hours remaining to complete these estimates. Thank you very much, Minister, and your staff.

The committee adjourned at 1602.

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Standing committee on estimates

Ministry of Children
and Youth Services

Ministry of Natural Resources

Comité permanent des budgets des dépenses

Ministère des Services à l'enfance
et à la jeunesse

Ministère des Richesses
naturelles

Chair: Cameron Jackson
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STANDING COMMITTEE ON ESTIMATES

Thursday 29 September 2005

The committee met at 0904 in room 151.

MINISTRY OF CHILDREN AND YOUTH SERVICES

The Chair (Mr. Cameron Jackson): I call to order the committee on estimates. We have approximately four hours left for the Ministry of Children and Youth Services. We will begin our regular rotation again, starting with Mr. O'Toole for 20 minutes.

Mr. John O'Toole (Durham): Thank you very much again, Minister. I'm looking forward to Ms. Munro showing up, because as the critic, she has a far more detailed grasp of this very important ministry. I do appreciate some of the responses yesterday, which clearly indicated your desire to look at things perhaps differently and try to find the money down to the front line.

I would say that the last three or four issues I brought up, I'll probably just put them on the record again and maybe we could have a little conversation about them, because I really don't have any prepared questions. That's a long preamble to say I'm not sure how I'll use the 20 minutes.

I was really interested in the program for the child care component. I've had a bit of time to go through the estimates book to see that. How is it going to function with the resource centres that we set up in our term of office? I see there was money removed from the Early Years community groups. The Early Years centres in my riding, I was trying to say earlier, are basically not-for-profit. They were not a complete rollout of what Mustard-McCain had wanted. You're kind of fitting that whole thing in as part of the umbrella of this national daycare strategy, I guess.

Hard-to-service communities: Part of my riding of Durham includes Port Perry. It's about 50% rural. Even at the school level there's a lot of pressure on small, rural schools. Enrolment is an issue but programming is not. I think the programming is excellent at Cartwright High School. It's one of the smallest high schools in Ontario. How are they going to set up these daycare facilities, or are these Early Years centres going to be a resource that rural people can use?

In fact, I would say our position is probably, first, to recognize that, yes, in most families both persons work, out of necessity, which is unfortunate. I probably would look at it through a tax strategy myself and I would encourage one of the parents to stay home with the

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children. I think the primary caregiver may need resources, be they toys and tools to enrich the life of the child or experiences like the Early Years centres, playing with other children, socialization. So some of the resources aren't just tax breaks, but if one of the parents chooses to stay home for those nurturing years, the first two or three years of the child's life, I think it's absolutely critical for them to learn parenting skills as well as having resources and social exposure with other children and other families, learning how to develop and enrich children's lives. Is that going to be any part of the option at all, or are you going to have this nanny state thing where only the government knows how to do it?

I think in rural families, in many cases, there are seasons of the year where they do need daycare. So to set up a system that's going to say, "OK, here's the deal. Here's how we do it. We provide it. You bring the children and we'll have experts look after them"—I'm concerned that there isn't enough flexibility in the current model and it's all going to be these licensed daycare blah blah things and everybody will belong to the CAW or something.

Then you get into the Day Nurseries Act. When they attach them to schools, what happens is, under that act, I think the ratio is one to eight, and now it's 20 to one. If you're a JK teacher, it's supposed to be 20 students per one instructor, and in the very room next door where they go in the afternoon, it's going to be eight to one. But they'll want parity; they'll want the same pay. How is that all going to work? I asked you a simple question: What is the annual cost per child expected to be? In Quebec, I think it's about \$8,000 per child. That program, that \$5-a-day deal, I don't think it's affordable. It's laudable. Everyone would like it, provided we all had oil wells in our backyards.

0910

Hon. Mary Anne V. Chambers (Minister of Children and Youth Services): Thank you, and good morning. I actually read about your region in the newspaper this morning and it was on our subject, so I'm not surprised at all that you've raised that as your first topic this morning, Mr. O'Toole. The article I saw in the newspaper today spoke about the demand for child care. Toward the end of the article, it also made reference to the fact that the 770-whatever spaces anticipated for Durham will actually be helpful.

Combining what you've just said, because you've talked about demand as well as alternatives—that article

is talking about demand—Best Start, in terms of the child care side, is actually working toward addressing that demand. It's not intended to tell parents that this is the best way to take care of their kids; it's intended to address the demand we have heard about, the desire people have to receive support wherever they can get it in balancing their family life and work challenges. I certainly have also heard from parents who would like support staying home, and there are treatments, if you like—and, they would say, "not enough"—through the income tax system to support some of that.

What our child care initiatives are intended to address are those situations where parents are saying, "We work, and we need help." Some 70% of parents with children under five are working and saying that they need support for their kids, they need child care for their kids. The primary focus of this plan—this \$1.1 billion over the next few years; \$1.9 billion over the five-year term, but primarily in the first few years—is the four- and five-year-old who is in junior or senior kindergarten, whose parents need support for the rest of the day. So in fact, when we talk about 25,000 spots, that will probably translate into over 30,000 children, because in a lot of cases, these spots will be used on a part-time, part-day basis.

There's no question that we also recognize how critical the early years are for children's development, just as you said, the critical first three years, the first few years. That's one of the reasons we are emphasizing that this should be a quality and a developmental opportunity for these children. Hence our emphasis on improving the qualifications, the compensation and the retention of child care workers. The Ontario college of early childhood educators is part of that thrust.

You also talked about the importance of kids growing in an environment where they have the support of other families or other kids. We also refer to that as socialization. I think kids can get that at home in their neighbourhoods; they can also get that in child care centres.

So we are actually providing parents with sustainable choices. We're not telling them what to do with their kids. This is not a mandatory program. But based on the wait lists that we are hearing about—and in your region, from that article this morning, the demand is clearly there. I don't remember all the numbers from the article, but certainly the numbers that were put forward in the article as the demand were larger than what's currently estimated for their share of these new child care dollars. So that tends to support the direction that we are taking.

In terms of providing parental resources and other types of assistance through the early learning centres, they are wonderful opportunities for parents and their kids. I think we want to look at this initiative as a comprehensive package of programs, and that typically means that you look at where the dollars are needed and you put them where they are needed. We hope we'll get that right, and we're not doing that entirely on our own. We're actually working with the regions and the municipalities and the social services managers in those regions and municipalities so that they can talk to us and present

us with plans that reflect local needs. So even the estimates of dollars and additional spaces that we have provided for their purposes and for the allocations reflect historic experience in terms of demand for services, wait lists, the demographics in the community and the kind of help parents would need.

That is also going to influence the take-up on subsidized spaces as we work out our new income-based subsidy. I suspect one of the challenges that we are going to have is that with improved subsidies, we're going to have an even higher demand for child care spaces. I think what's going to happen is that parents are going to be seeing this as an opportunity to access higher-quality, more reliable, perhaps, child care than some of what they have been feeling they have had to go for in the absence of more licensed child care spaces. So there is still every bit of evidence that the demand is there, and in fact the demand exceeds even what we are planning to add. This is not saying to parents that they can't do as good a job as government can do with their kids; not at all. This is saying, for parents who would like support, "Here is support." The demand numbers and the wait list numbers for child care spots speak to this demand and to this option, as opposed to an alternative, as an option that is of great value to parents.

Mr. O'Toole: Great. Well, I see in the information you provided this morning the central-east region. You've mentioned the number, 770 new licensed child care spaces. I look at the breakdown here for Durham region. It comes to about \$35 million, of which about \$11.6 million is actually capital.

The cost for those 770 spaces is \$35 million. Somebody else can do the math, but technically, I guess that's the cost per space. Is that an annualized cost? I know capital generally is one-time, but the way we have accrual accounting and all that now, I guess it is an annualized cost: maintaining in a good state of repair and all these things to maintain capital assets. That's pretty expensive.

Hon. Mrs. Chambers: Well, the operating funding includes a number of things. Out of the \$1.1 billion I think there is, what, \$106 million for improving wages for child care workers. Again, the emphasis is on quality and retaining good people. In child welfare, a more stable environment for our kids is going to be a more positive environment. A higher quality of staffing, the ability to add more training for child care workers—that's all in there.

0920

The other thing that's in there that's new with these dollars is that the province is not asking the municipalities to put forward the traditional 20%, to share in that funding. The province is moving all the federal dollars into this and utilizing those dollars to ensure that those spaces are in fact available. So the capital dollars are for expanding facilities.

The operational dollars break out into wage enhancements, training. The municipalities have always had to come up with administration-type money. They don't

have to do that this time around. We're trying to make this as implementable and as successful a proposition as possible. Maybe this is a good point at which to say to you, with all due respect to all of the service providers—and there are so many service providers associated with this ministry—and the issues they face, it needs to be clear that at the end of the day our focus is children, youth and their families and how we serve them. The service providers' role, in my view, is to work with us for the benefit of children, youth and their families.

That's also one of the reasons why we say, "Tell us what your local needs are," as opposed to what a particular agency's needs might be. "Tell us what the local needs are." That's why we empower our regional service providers and our regional managers with the ability to make decisions based on local needs.

Mr. O'Toole: I appreciate that, but it still looks like about \$5,000 per student, as I would get it. Whether the money is in training or staff or capital, it's probably \$5,000 a year—maybe more, actually, for each student space—whether it finds itself in the salary component, whatever. All of that is important.

My wife, who is a primary teacher—in fact, she had her ECE specialist and then went back and became a teacher. The unfortunate thing is that there are many, in my wife's experience, who have gone into teaching and taken the necessary training, but they don't recognize the ECE certificate. If you were a teacher with a general degree and took a couple of courses in geography or sociology or something, you could upgrade your classification from level 4 to level 5. That's a problem. The ECE program was a college program originally, and they've been arguing that they're underpaid. I would say that, arguably, they should be better paid. I'd say that because they're taking care of our future generation and they need to have special commitments and be rewarded. I can say the same about persons working in long-term care. I'm exposed to that through my mother-in-law, who is in long-term care. That is a special calling. You don't want people to be frustrated about the various issues of earning a living or they are liable to be frustrated in the workplace. How much that number is is another thing. If you get a master's degree in nursing, you won't be doing that work anyway; you'll get the briefcase then. You actually don't touch any diapers or stuff like that. Heaven forbid.

Do you understand? That's what happens. We end up with these things that are driven toward some kind of segmentation of the workforce. The more skills you have—it's sort of like the Peter principle: You keep moving people along so that the really good ones don't end up doing the function that you and I are talking about, which is providing direct care or service to children and youth, which is really what I'd like to see.

The other part to this thing: I know there is a component that the parents will pay as well. So the government's contribution is one part. These are non-subsidized spaces for the most part, I would guess. I'm not sure how many of that 770 will be subsidized. Then, if you look at how you actually allocate this, based on some formula—

hopefully it's done on Stats Canada's demographic profile of a community based on income. Oshawa has the highest income per capita in Canada, I believe. They all live like barons there, having worked there for 31 years. I guess the point I'm making is, how are they going to allocate the fund by region? Is it purely population, or is it demographic-profiled based on income and other needs? Perhaps you could tell me how these numbers got developed.

Hon. Mrs. Chambers: The numbers were developed based on demographics and historic demand for child care spaces, in conjunction with the experience that the ministry has from working with the municipalities and their service managers. These numbers reflect local needs and local input and historic needs. In terms of subsidies, subsidies will be income-based. To date, they have been need-based and took into consideration people's assets. Over the past year, we made changes in that area. We eliminated such things as RESPs and RRSPs from that determination, because we are not trying to penalize—if a family, for example, is putting away money for their child's higher education through an RESP program, which incidentally, the federal government also makes a contribution to, then we didn't see any reason why we should penalize families for their long-term interest in their kids. We have long-term interest in kids as well, so we made that change.

Over the past year, there were more than 4,000 subsidized spaces added to the system. The income testing model that we're developing now is intended to increase access and increase affordability for families who need more help.

The Chair: I'm sorry, but this cycle is completed. I'm going to have to move—

Mr. O'Toole: I thought I had another—

The Chair: No, actually you're two minutes over, but that's OK. We've got lots of time here today.

If I may, Minister, I just want to acknowledge receipt of the package, you and your ministry's response to the questions of yesterday. I've been in this chair for over seven and a half years, and rarely have I seen a minister and ministry staff respond with such willingness and such thoroughness. I want to publicly thank you for that. I also want to put on the record, and I've been waiting for an opportune moment, but we as a committee are still waiting, one year later, to have all of the questions raised to Gerard Kennedy, the Minister of Education. Just to let you know, and for people watching on television, we rely on the goodwill of ministers and their staff, and I want to publicly thank you and your deputy, Ms. Wright, for that.

I'm reading through this, and I recognize this is delicate material, but I appreciate the way in which you've presented it. On behalf of the entire committee, I thank you. If you have an opportunity to speak to your colleague, let him know that this is not a painful process; this is an open process. I want to thank you for that.

Hon. Mrs. Chambers: Thank you, Chair.

The Chair: Now, that's my editorial comment as the Chair. I'm very pleased to recognize Ms. Horwath and anxious to give Mr. O'Toole his minute back.

Ms. Andrea Horwath (Hamilton East): Thank you, Mr. Chair. Good morning, Madam Minister and everyone from your ministry. It's great to be here again. I'm going to focus on the Best Start program today, and wanted to start off just by getting some clarification on some of the numbers in the estimates briefing book.

I wanted to start off on page 45 in the book. It indicates child care and early learning, an increase of about 35.5%, \$203 million. I'm just wanting to confirm that that's all federal money. Is that right? That's all federal money?

Interjection.

Ms. Horwath: OK. So then, if you could just bear with me for a second, a little further down on the right-hand side, in the changes from 2004-05, there is the \$175 million federal funding and there's the \$29.3 million, which is also federal funding. Then, a little lower down you have all the debits on the lines there; that adds up to about \$23.7 million going, it says, to child welfare. Can you show me where that shows up on the child welfare side, or does it just not show up at all; is it something that was done previous to this book being published? It's about \$23.7 million, give or take.

0930

Hon. Mrs. Chambers: Ms. Horwath, I hope you don't mind that I'm asking my assistant deputy ministers and directors to assist me on these—

Ms. Horwath: No, absolutely not.

The Chair: Please identify yourself for the record.

Ms. Lynne Livingstone: Good morning. I'm Lynne Livingstone.

The Chair: And your title?

Ms. Livingstone: I'm the executive director of strategic initiatives. My understanding of the reconciliation of the reductions that you noted on page 45 are that those resources were directed toward child welfare as a priority for the ministry. If you look at the detail on page 45, it highlights that, that as projects came to completion we took the opportunity to realign those resources to other priority areas; the same with where we had initiatives that did not begin, we also took that opportunity to realign those resources.

Ms. Horwath: All right, but I guess I was asking if you could be more specific about where those resources got realigned to, within the child welfare envelope.

Mr. Robert Rupnik: Robert Rupnik, director of finance. If you look on page 55, you will see that there are various increases to the line item "Children and Youth at Risk," and that's the activity program. Child welfare increases by approximately \$97 million. That is a combination of receiving new funds as part of the business planning cycle. Also, if you look at the descriptive below, you will see "Child Welfare"—

The Chair: Excuse me, Robert. We do need you to speak up. Speak more closely into the mike and speak up a little louder.

Mr. Rupnik: Sorry. I just mentioned that there is an increase of about \$97 million for child welfare, the program. When you go down to the description, you will see

a line called "Child Welfare Services Volume Growth"—\$72 million. You will also see a line called "Realignment from Community Support"—\$20 million. That is the realignment from the earlier page that you identified.

Ms. Horwath: All right. That's great. When we say that that went to child welfare services volume growth, that's just the regular cost pressures for the children's aid societies, or what exactly is that? I don't know whether you have that answer.

Mr. Rupnik: It is volume growth and cost of providing child protection services.

Ms. Horwath: So some of that, then, was directed to agencies?

Mr. Rupnik: The line for child welfare is for our 53 children's aid societies.

Ms. Horwath: OK. If I can continue in that vein, more or less, there have been federal dollars put in; there has been some realignment from Best Start into child welfare because of the pressures in that area. That's completely understandable; that's right. But what I don't see in the estimates briefing book is the \$300 million that this government was going to invest in Best Start or in early learning and care for children. So can you identify any of those dollars in these books?

Ms. Livingstone: Best Start is building on a significant provincial foundation in a number of programs. Approximately \$668 million of provincial funding is directed toward programs that are part of the overall Best Start strategy. That would include programs like Healthy Babies, Healthy Children—

Ms. Horwath: I have the documents that show the previous provincial investments. I'm just asking about the additional \$300-million investment that was promised by the government when they were running their campaign. If there isn't any in this year's budget, that's fine. I'll track it and see if any comes up for next year's budget. That was part of the point.

Ms. Livingstone: Do you want to speak to that?

Mr. Rupnik: Thank you for the question. The Best Start initiative has two components: There's an operating component and then there's a capital component. The funding that the ministry received this year was about \$271 million in total, which is the \$300 million that is frequently discussed. In the estimates book, the page that you were referring to, page 45, captures the operating component. So \$175 million is on this line here. If you go to the back of the estimates book, on page 77, you will see that the ministry has an activity called infrastructure programs, which is capital, and \$97 million is the balance of that federal component.

Ms. Horwath: I actually have that marked off as well. But I'm not talking about the federal dollars; I was talking about the provincial government's commitment to investing provincial dollars. Again, I know this program is going to take a while to get to its full existence, if you want to call it that, but I'm just not sure whether the provincial dollars are flowing into it yet, in addition to what the baseline was previously.

Ms. Livingstone: Some of the provincial investments that were made in the last year were in the areas of

Healthy Babies, Healthy Children, infant hearing and preschool speech and language; specifically, \$8.35 million in Healthy Babies, \$1.2 million in infant hearing and \$4.7 million in preschool speech and language. As I said earlier, Best Start is building on a substantial provincial foundation that already exists, including a large part of our child care system. That's the base from which we're building for the Best Start strategy.

Ms. Horwath: OK, so last year's increase is about \$5 million in total in those programs that you described?

Ms. Livingstone: Approximately—I can't do the math in my head—\$8.35 million, \$1.2 million and \$4.7 million was the investment in those three programs for 2005-06.

Ms. Horwath: That's over and above last year's amounts.

Ms. Livingstone: Over and above last year's amounts.

Ms. Horwath: So that would be theoretically deducted off the 300 million new dollars that the government committed to investing in this area overall.

Ms. Livingstone: And it's in addition to the investment that's being directed through the federal funds for the early learning and care funds.

Ms. Horwath: Absolutely. I guess my last question is—and I think you've already alluded to it in regard to naming those three programs: Will any of the money from the ECDI or MFA be targeted to programs other than early learning and care?

Ms. Livingstone: The early child development initiative, which I think is what you're referring to, was directed to a number of programs that are fundamental to Best Start, including our Ontario Early Years centres. Healthy Babies benefited from that investment as well. The new early learning and care funds are being fully directed to increasing capacity and access to a quality child care system in Ontario, fully directed to that part of the system.

Ms. Horwath: If you were to list the programs that these other dollars went to, they would more or less be captured between Early Years and Healthy Babies, Healthy Children?

Ms. Livingstone: They went to a variety of programs—

Ms. Horwath: In those envelopes?

Ms. Livingstone: All part of the Best Start piece.

Ms. Horwath: Could I get a list of the various programs? That would be very helpful.

Ms. Livingstone: Absolutely; we can provide you with a list.

Ms. Horwath: We were talking about the \$97 million that you showed me at the back of the book on the capital side. I appreciate the charts that indicate where we will end up, over three years, on March 31, 2008, after all of the federal investment has been made, but I'm wondering what kind of work has been done to ensure that there's enough money to actually fulfill the spaces that are being promised. That comes not only from the questions I had prepared, but others within the system are looking at those numbers and they're a little bit concerned that we

might end up coming up short. Can I get an explanation of how those numbers were arrived at and where the assurance is that the spaces that are indicated will actually be able to be afforded with the dollars?

0940

Ms. Livingstone: There are a couple of components to how we determined what amount should go toward capital and the operating side of it, and also how we allocated those funds out across the province. When we were looking at the investment, we knew that in Ontario we needed to build on the system. As the minister has already indicated, there is a significant demand. We also know, as I'm sure you've heard from your constituents, that if parents had the choice, some would choose to access quality regulated child care.

We took a look at the existing system and we knew there was limited vacant capacity left, and therefore we needed to build new capacity in the system. Based on that analysis, we arrived at what we thought we could do within the resources that were being provided through the federal early learning and care initiative. So that's how we arrived at the amount for a capital allocation over the next three years.

With respect to operating, we knew that the system must be sustainable, so the investment on the operating side, in addition to addressing improving quality through the increase in wages over the next three years, is also built on looking at what our current and past practice has been around delivery of child care in the province: how much we direct toward fee subsidy, wage subsidy, special needs resourcing, minor operating capital and administration. All of those elements were taken into account.

If we just looked at the chart that was provided, the operating dollars are based on ensuring that we can sustain the spaces that are built. We've assumed a relationship between the number of spaces we want to see, just increasing sheer capacity, but also ensuring that there are the necessary wage subsidies and fee subsidies in place to support families accessing those spaces. That's how we came at that piece.

In terms of how it was then allocated across the province, as the minister indicated, we undertook a formula that brought together a combination of looking at the child population and other factors that impact on demand, as we understand it, for accessing child care; factors like low income, low-education status, whether French or English is the first language. We know these are all factors that can impact that. There were two other important factors that were considered: high growth in an area or large geographic distances. All of that played into the formula that was used to do the allocation.

Ms. Horwath: That's extremely helpful. There are two concerns flowing from that. One is that just by the use of the raw numbers, a couple of the regions have indicated—not formally; just informally—that they're fearful that the amount of operating dollars is not going to be enough to actually provide the quality that is part of the founding principles of this entire program. I would

just want to flag that pretty much and let you know there is a concern out there that in doing the math around the spaces versus the operating dollars, the quality that I think everybody would want might not be realized. Whether that will put pressure that would have those provincial investments flow, the \$300 million that was promised, maybe that's in the future; I don't know. But I think it's important to recognize that there is some concern out there about whether or not you'll get the quality based on the numbers that are in this chart.

Hon. Mrs. Chambers: I'd like to respond to that, because I would be as concerned as you are if that is indeed the case. I should tell you that there have been concerns raised to me about the aggressive timelines.

Ms. Horwath: That was my next question, Minister.

Hon. Mrs. Chambers: Well, yes. But I'm not going to back off, because it's like storage space: You can fill as much storage space as you have. You can fill as much time as you have as well. So I'd prefer to focus on tight timelines and do the best we can with those timelines. If it does turn out to be the case that we need to do some more work after those timelines have expired or to adjust some of the planning, we're here to do that. We are working interactively with the service managers on their plans so that we cannot hold them up. We're saying, "Work on developing them. We will review and approve them very, very quickly." How we are going to be able to do that is to stay in touch with them as they are developing these plans.

So the planning process that will result in that end-of-October submission-and-approval deadline for 2005-06 is crucial. I know they're really nervous about what they are doing, and there are probably a lot of questions out there. We may not have all the answers yet, but we are looking forward to being in a position to see what they are coming forward with, because until we see that, we don't know what we need to do in the way of interventions to improve the situation. The intention is certainly not to compromise quality just to get the numbers. We want the quality.

I have asked for numbers on how we're doing so far in terms of additional spaces, because I do recognize that it takes a while. There are some places—I spoke with a representative of a Y in the Peterborough area, and they already had their eye on facilities that they would like to acquire and convert for child care spaces. So I think that if that plan isn't already in, it's probably very close to coming in and will be able to be turned around quickly. That's an example of where people have had their sights set on being able to do this, and we did—

Ms. Horwath: I'm sorry to interrupt, but just as part of that, I know that the Ontario Coalition for Better Child Care sent a letter to the Minister of Finance, carbon-copied to you, to ask for a meeting to talk about how we can make sure we do get all those federal dollars out of the gate, and whether there are things that we can do with the federal government, or maybe some—I wouldn't want to say "creative financing," but a way to make sure that those dollars are not lost by virtue of the rush.

Hon. Mrs. Chambers: Absolutely, and that only affects the 2005-06 year with the trust dollars, because in fact it's not even a year. It doesn't start at the start of the fiscal year; it started basically in July, because the approvals came from the feds at the end of June. So we recognize the issue; we recognize the challenge. We are also having those discussions with Finance. And yes, we are trying to be thoughtful and—I know the word "creative" has all sorts of connotations, so I can understand your not wanting to use that word. But we are trying to be innovative and we are trying to find ways of dealing with the fact that we don't want to leave any dollars on the table.

I'm spreading that pressure around. I'm sharing that pressure among my own ministry officials and the municipalities because, as I said to Mr. O'Toole earlier this morning, at the end of the day, it's those kids and their families whom we are here to serve, and we are all going to have to expect to bend over backwards to do this. And yes, I've already had initial conversations with Minister Dryden, my federal counterpart, to say that this is one of the issues that's in the air on this particular file, and it is because of that 2005-06 trust arrangement.

The good news is that for the next two years, that's not an issue.

Ms. Horwath: The following two years.

Hon. Mrs. Chambers: The following two years. So we are actually waiting to see those plans. We're not going to speculate as to what those plans are going to say. They know all the targets; they know what we'd like to see. But obviously the local input is essential, and we don't want them to say that they can do something that they cannot actually do.

0950

At the same time, we recognize that there is a lot of pressure on. So we are being realistic in trying to plan for the eventuality that it's not going to be easy to spend all of those dollars in that less-than-one-year period. We're working on seeking ways to mitigate that particular risk.

The Chair: Thank you, Minister. We would now like to recognize Mr. Berardinetti.

Mr. Lorenzo Berardinetti (Scarborough Southwest): I want to start off by welcoming the minister and congratulating her on her new position as the Minister of Children and Youth Services.

Hon. Mrs. Chambers: Thank you.

Mr. Berardinetti: Madam Minister, I wanted to ask a question that centres around the issue of youth justice services. It's an issue that's important for myself as a member from the Toronto area and, I think, for all members throughout Ontario. They probably receive complaints from their constituents, or concerns at least, about the issue of youth justice and what's being done regarding youth justice services in our province. When I have my constituency appointments on Fridays, I usually get at least one person who comes in and complains that we're not doing enough or that we should have tougher laws in place for youth. Everyone seems to have a different take on a potential solution on how to deal with

youth justice and whether or not, for example, children who are 16 or 17 years old should be tried in regular court. Even for 15-year-olds, I've heard some people say to me, "There was an incident that occurred on my street; a break-in occurred. It was a 15-year-old. We want him or her tried in a regular court of law." This, then, gets into the social aspect as well: "What are they teaching at school? How come, in my day, 20 or 30 years ago, we didn't have these kinds of problems? We didn't see teachers getting assaulted or being bullied by their kids. There were stricter penalties in place," and on and on it goes. The day before yesterday, in the paper there was an incident where a teacher was bullied or actually assaulted in a schoolyard during a recess break. These sorts of things seem to really pervade or come up in my community.

I do also hear the other side as well, where some people are saying, "Let's not focus on putting kids in jail," or "Let's not focus on detaining kids or punishing them severely, but let's look at preventing the kids from becoming that way." I've had friends, for example, colleagues and even family members, who are raising young families, who have decided to take their kids out of the public school system completely and are spending the extra money to put their kids into private schools, thinking that that will help them to not be influenced by their peers or their friends at school. They're willing to spend that \$13,000 or \$15,000 or \$10,000 a year to get their kids into a private school and to stay away from other influences.

I'm 43 years old. I went to school here in Toronto, in public elementary and secondary school, from kindergarten all the way to grade 13. My experiences in those 14 years of being in that system were very positive, for the most part. We didn't have the kinds of things happening back in the 1970s and 1980s, I guess, that we have nowadays. So there has been a change, and I acknowledge that when I talk to my constituents. They've come to me and have said that in the last five or 10 years, maybe with the advent of the Internet and video games and the whole sense of media bombardment—it's a much larger issue, media itself, and its effect on individuals, especially young people. This is one aspect they've come to me to talk about, and they want me to do something about it. So as an MPP, I have said that I support our government's initiative of creating this Ministry of Children and Youth Services. I am glad that we've set up this ministry. One aspect of it is youth justice services.

Recently, I've heard and understand that it's undergoing a transformation. My question is basically this, Madam Minister: I just wanted to know if any transformation is taking place in your ministry, and how you see youth justice services working in your ministry and what your vision is for that area.

Hon. Mrs. Chambers: Thanks, Mr. Berardinetti. We represent ridings that are very close, geographically, so I hear a lot of what you're hearing too. My perspective on this issue is pretty broad. I'm going to tell you a little bit

about my personal perspective. I'm also going to tell you about what we're doing in my ministry on youth justice and where I think we need to go. I'm also going to give you a sense of where I think our government and the Premier is on this issue.

My personal perspective is that yes, times change, but every decade, when we talk about the good old days, it's a previous era. Have you ever noticed that? It's always a previous era. But it's always the "good" old days, and sometimes I think we forget what things were like. Having said that, I had an unexciting childhood, and my sons had an unexciting childhood in terms of the kinds of excitement we read about and hear about that we are concerned about these days. The Attorney General has announced a number of initiatives—and these are not just youth-related—but a number of initiatives that I would refer to as tough-on-crime-type initiatives. There is also work to be done on tough-on-cause initiatives. There is more work to be done in that area, I think. Even when my constituents are upset about crime and personal safety, they also talk to me about homelessness and poverty and social issues that are in fact fertile soil for crime-related activity, if you think about it.

The youth justice portfolio came to children and youth services in April 2004. That would be one year following the federal government's implementation of the new Youth Criminal Justice Act. The Youth Criminal Justice Act's focus, primarily, is on diversion and special programs to help youth to more effectively contribute their energies to strong communities. As a result of that, we have actually seen some differences in even the demographics in how young people locate themselves in various aspects of the youth justice system.

Basically, what we are doing is providing services in keeping with the Youth Criminal Justice Act and directions from the courts and the justice system. I'm going to give you some numbers. These are pretty accurate; they're from my memory, but I'm pretty sure that if I'm off, my staff will correct me. So we have basically three classifications. In secure custody for youth, we're talking about approximately 620 youth; open custody would be about 360; and in programs that fall into the community supervision category, we're talking about 13,500. Certainly, the custody numbers represent a decrease of about 40% over the last few years, and an increase in the community supervision classification.

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We have also been working, as part of this transformation in our ministry, on bringing together two groupings that existed previously: the 12- to 15-year-olds, who were considered youth, and the 16- and 17-year-olds, who sort of straddled youth and adult justice. You may recall that my predecessor announced the closing of a Toronto centre that was, in fact, deplorable. The child advocate and many other interested and concerned groups talked about the conditions there as being not suitable for young people. From what I gather, it probably wasn't suitable for any age.

I want you to know that we are determined to hold our youth fully responsible for their conduct, and if they're in

secure custody, that means that their offences are more serious than if they're in community supervision. If they are in open custody—and remember, we do not determine where they go; it's the court system and the justice system. There are processes now for interventions that the police can do that fall under the category of diversion, where probation officers acquire a stronger responsibility. In fact, we have added to the number of probation officers and reduced their caseloads—those probation officers report to my ministry—so that they can spend more time with the young people in their care, with the young people under their supervision.

Open custody would house youth who have either been originally sent there due to the nature of their offences by the courts, or sent there as a second step after secure custody as part of their preparation for integration into the community. Obviously, if you are living in a secure custody environment for several years and one day you move from there just into the community, there would certainly be the very great risk of effective reintegration. That's really the focus of open custody: rehabilitation programs, psychiatric care, you name it.

I have had some very interesting conversations with some of the program managers in my youth justice services area in the ministry. I remember having a conversation with a group of program managers, asking a variety of questions, one of which was, "What's the most common reason for these young people being here?" One program manager had a particularly thoughtful response to that. She said, "Do you mean, what are the most common offences, or why are these young people in the system?" I said, "Well, how insightful of you."

Basically, they're two different answers. She wanted me to know that, amongst these kids, she saw a lot of immaturity. She saw mental health conditions. She estimated that approximately 30% of the young people she comes in contact with in the youth justice system have some kind of mental health challenge, which of course should not surprise us, based on the stats I shared with you yesterday, where the mental health community suggests that one in five children under the age of 18 has been diagnosed with some kind of mental health condition, which is kind of scary. She also told me that the immaturity that she was seeing—a 15-year-old might actually converse with her or with others like a 12-year-old. She felt that a couple of good sessions with a probation officer might just simply be what those kinds of kids need. So we have a spectrum. Some of the programs that we have are being delivered through attendance centres. We have increased the number of attendance centres in the province. We have added 11 since April 2004, when this portfolio was transferred to the Ministry of Children and Youth Services.

I'll tell you a little bit about the attendance centres. The young person remains in the community and attends this non-residential program for up to 240 hours for up to six months. The young person has to participate in a program in his or her assessed area of need. It might include anger management, substance abuse counselling,

education, employment and other life skills. This resulted from consultations that the ministry did, involving about 375 people around the province, in terms of what the appropriate responses should be to youth in conflict with the law. This helped to formulate the strategy that's under development right now.

We've also asked youth justice agencies in a variety of geographic areas, including the area that you and I are most familiar with, about the needs of their particular youth and the options they see as important to their particular youth. In a lot of cases, we would refer to those as diversion-type initiatives. We have an initiative called conferencing, where we actually have the youth who have offended meet with their victims and their families to understand the implications of their actions and to discuss how they can, if you like, provide some kind of retribution/compensation type of opportunity to the victim and the victim's family. There are a variety of services. We're working with the police; we're working with community-based organizations. The emphasis is on diversion and on reducing recidivism.

Now we want to place greater emphasis on prevention, so kids who are in fact not in conflict with the law but are at risk of getting there. When my constituents talk to me about poverty, homelessness and some of the stresses they're observing in communities, pressures that must impact kids, they are saying, "Help us." It could be tutoring programs to make sure that they are more successful in school. It could be more emphasis on aggression replacement training, anger management training, life skills, employment skills.

This past summer, in four areas of the greater Toronto area, we funded some skills- and employment-related programs for these kids. We worked with Centennial College, for example, and with community agencies that linked these young people up with employers. What these kids had to say about the experience is actually gut-wrenching because it tells you that they're not asking for a lot; they're just asking that they not be forgotten and left behind. And a lot of these kids do get left behind. It is quite possible that changes in demographics are more negatively affecting certain kids, and I think we have to acknowledge that there is help that's needed for these kids. So I am actually working in that area, doing initial work in that area, and very keen on hearing from community-based programs, because there are so many community-based programs out there that have never seen support from government and perhaps should be getting support from government so they can provide these kinds of supports to our kids.

1010

Mr. Berardinetti: I'd like to follow up on one of your points, Madam Minister. I appreciate the answer.

I think about some of the native communities and people who come from the native communities. We have them in Toronto and we have them at the very northern parts of our province. People in the native community seem to me, the ones I've spoken to, sometimes to have fallen outside of the system, as you've mentioned, and

sometimes need some help. We've seen in the northern part of Ontario, for example, where the kids will not stay in school and end up being influenced by outside sources or by their friends. There is a high suicide rate, for example, in the northern part of Ontario where the native communities are. I was just wondering if any attention is going to be focused on that aspect.

The Acting Chair (Ms. Andrea Horwath): Mr. Berardinetti, can I just ask that you wait for the next round to finish off that question? In fact, you've probably gone over a little bit. We were waiting for Mr. O'Toole to arrive, but he's not going to arrive.

Mr. Berardinetti: Has my time already expired?

The Acting Chair: Oh, yes. It's actually over by a couple of minutes. Maybe you could put that one in your hopper for your next round.

Mr. Berardinetti: OK.

The Acting Chair: Then, if it's all right with the committee, I'm just going to take over the Chair and allow Mr. Jackson to—

Mr. Berardinetti: My apologies. I didn't realize it was past the time.

The Acting Chair: That's OK. We were giving you the lead time because we thought Mr. O'Toole might be able to get back in time. I think you got most of that question out. The minister can have some time to think about it, maybe. In your next round, if you want to bring it back up, that would be fine.

Then we'll ask Mr. Jackson to—

Mr. Cameron Jackson (Burlington): Thank you very much, Madam Chair.

Minister, I'd like to pursue the line of questioning on youth justice services. This was a controversial area in the last estimates because of the depopulating of the institutions, with vacancy rates as high as 70% to 72% of spaces that weren't being filled. Without commenting on that as a good thing or a bad thing or whatever, the point that I raised in the last estimates when I was the critic and your predecessor was in the chair was, where did all these kids go and what are they doing? Could I ask for updated statistics on how this program has been operating in terms of placements, just so that we can monitor that?

When I look at the estimates from the previous year and the current estimates, youth justice numbers, the line in vote 3702-7, which is on page 65, shows a 3.7% increase. But if you look at the estimates from the previous year, it was an negative growth number. So we've got salaries and wages and benefits to employees rising dramatically, we've got the cost of the program dropping, and we've got huge vacancies in this sector.

Staff will recall this line of questioning from a year ago. Clearly, this is a program in transition. It will sustain its policy direction for at least two more years, for sure, so how are you transforming the system? Am I to see in these estimates that we are looking at a significant number of layoffs or transfers out, and that's why the benefits line is so strikingly large? Can you speak to that issue?

I wanted to talk more generally about these kids who are still performing inappropriately in our society but are not in some kind of program. So if we could look at the numbers briefly and then we could dialogue on that, I'd appreciate it.

Hon. Mrs. Chambers: All right, I'll invite either Gilbert or Robert to come to the table to do the numbers. Gilbert, would you introduce yourself at this point.

Mr. Gilbert Tayles: Good morning. My name is Gilbert Tayles. I'm the assistant deputy minister for youth justice services.

Hon. Mrs. Chambers: And we have our finance guy as well.

First, to talk about the vacancies—I hate to refer to it as vacancies, because it sounds like we have beds that we're waiting to fill. I certainly hope that's not how it's going to be going.

I think it would be fair to say that this is a file in transition for a number of reasons. One of the reasons, Mr. Jackson, is that we had taken this out of a larger portfolio of community safety and correctional services. This year's budget will probably more closely reflect the actual situation on this file, because we have now had the experience of last year in seeing how those numbers play out.

We've also seen, for example, as I mentioned yesterday, that we have ended up spending less on transportation. That's because of contracts we have been able to secure with the OPP for transporting young people between Sault Ste. Marie and Sudbury, for example, or between Toronto and outlying areas to which we have had to move young people as we close a facility in Toronto.

I will have Robert talk in more detail about the budgets, and I will ask Gilbert to speak about what he is seeing in terms of how the capacity issues are playing out. I think that's more closely related to the new Youth Criminal Justice Act. Maybe you could talk about some of the numbers first, Robert.

Mr. Rupnik: In terms of page 65, line item 3702-07, and the increases in the direct operating side of the business, this year, as part of the transition from the programs that moved over from correctional services, there were some disentanglement activities that took place. What that meant was that that funding that was previously with the ministry of corrections did move over to this children's ministry.

The other significant increase in direct operating is funding toward implementing and continuing to implement the Youth Criminal Justice Act that, as the minister alluded to, was announced a couple of years back.

Mr. Jackson: The issue I raised is that the estimates for 2004-05 were \$143 million and it would appear that the actuals—let's see; I'm going about this backward, sorry. The estimate a year ago was \$153 million. The actual, we now find out, ended up at \$143 million, so it was \$10 million less. So it's dropping in terms of the costs of this program, correct?

1020

You've estimated for an increase, but your admission rates are down. Last year when we were here we were talking about the large number of vacancies. You had empty beds and you still had staff floating around, and there was every indication that this trend was not going to change. That's why I wanted to know if the trend has changed, so that we can establish that, if there is an increased placement of children back into these facilities, fine, but if the trend we saw appearing for the first two years of your government was to continue, then we have to look at some human resource issues and talk about shifting staff. Otherwise we've got a whole lot of people formerly in corrections who are now in your ministry, or however you've classify them, who are sitting around—

Hon. Mrs. Chambers: I understand the question, and if you don't mind, Mr. Jackson, I'm going to ask Gilbert on the program side to talk about the transformation, because I think it's important for us to remember that, whereas we have rationalized beds and basically closed a number of beds, we still have excess beds in the system but we have more in community supervision work. We have hired more probation officers.

Mr. Jackson: That's the information I'm looking for.

Hon. Mrs. Chambers: Yes, I think so.

Mr. Jackson: If I could get those numbers, then I could see how this system's transforming itself. What I'm trying to get at quickly, if I can, is the issue around those children in active programs in our communities.

Mr. Tayles: I'll be happy to answer the question as best I can. We have seen a continued trend in terms of the decline in the number of referrals to the youth justice services through the Youth Criminal Justice Act. In fact, it appears, according to the trends, that the act is achieving what it was set out to do in Ontario, and that is to restrict and reserve the use of custody for those youth who need it the most, and resort to community alternatives for those who are deemed to be low-risk offenders and would best be served in their communities.

In terms of numbers of youth, the trend has continued. It's roughly the same, with a slight decline on the secure custody detention side of our business. Last year, I believe the figure that was cited here was around 63%. We are just under 60% in the secure custody and detention part of the business.

With regard to the open custody system, we have experienced a significant decline in the number of referrals to open custody from the courts, and that trend has continued. In fact, we've reduced the number of open custody bids in the province from around slightly over 1,000 down to 649, and we've maintained approximately a 40% occupancy rate in that system.

In terms of reinvestment of the funds from those rationalizations—it's the term we call them; they're closures—we've reinvested a significant amount of resource since coming to this ministry in community alternatives, such programs, as the minister mentioned, and attendance centres. Of particular interest to yourself, I believe, would be in the area of what we're doing about mental

health issues as they relate to youth in conflict with the law. We're happy to report that we recently implemented six intensive support and supervision programs across the province that are pilot programs, and those are directed toward low-risk youth who have presented with mental health issues, and as an alternative to placing them in custody, to leave them in their communities, provide a high degree of supervision and make the necessary linkages with the mental health professionals in the communities. That's relatively recent. So that's an example.

Mr. Jackson: Where would I find those, Gilbert, in these estimates?

Mr. Tayles: They would be combined in the transfer payment line of the budget, because we've partnered for those services.

Mr. Jackson: Just so I'm clear—I'm not trying to interrupt you; I'm trying to make sure I can keep up with you—the \$152 million is included in that?

Mr. Tayles: I'm looking at a different sheet, Mr. Jackson.

Mr. Jackson: You know what? It's confusing. I have both years' estimates in front of me. On the right hand side is—so I am looking at youth justice, \$148 million?

Mr. Tayles: On the transfer payment line for 2005-06, yes.

Mr. Jackson: Yes, youth justice services. Are these programs contained in that budget?

Mr. Tayles: Yes, those programs would be funded out of that budget line.

Mr. Jackson: Perfect. Now, can we get a full breakdown of those program dollars so I can just differentiate? It would be helpful on your page 64 if we had a more fulsome presentation of this program in transition. I wouldn't hide this thing under a rock; I'd be getting it out in the open, frankly. If you look at last year's estimates, there was a more fulsome explanation, with some charts which were extremely helpful, which is why my eye keeps going to last year's estimates and not this year's. If we could get those, that would be helpful. I did interrupt you, but now that I know it's in there, if we could get that complete breakdown? Perhaps you can tell me approximately how much of that budget is going toward secure custody and how much of it, approximately, is going toward open custody and other programs.

Mr. Tayles: Yes. I've just been handed a chart that breaks it down.

The Acting Chair: Maybe what Mr. Jackson is asking for is a written copy of that document to be provided, if that's possible. I think Mr. Jackson has about six minutes left, and you might want to continue on a different line.

Mr. Tayles: We'd be happy to provide the information relevant to the questions.

Hon. Mrs. Chambers: One thing I can tell you is that in terms of open custody, we have 72 transfer payment facilities in the open custody section. Also on the transfer payment, we have 17 secure custody facilities and two probation offices, whereas under directly operated, under secure custody, we have five facilities, five under youth units in adult facilities—

Mr. Jackson: Minister, I'll be able to read the chart; I appreciate that.

I'm trying to track where the dollars are shifting program-wise and whether we're getting the dollars into a community environment, as opposed to the more structured community-based—there's a lot more flexibility with contract arrangements, without editorializing here, and you have some substantive staffing and union issues to deal with as you move the cohort from the old system to the new. That's really what I was interested in as well.

If I may engage in a bit of a narrative here, I am growing increasingly concerned about the inability of school boards to understand the true spirit of the Safe Schools Act and the alarming number of children who are being jettisoned out of our school system simply because they have sworn at a teacher or—I'm currently dealing with a couple of students who are autistic, and their disorder manifests itself in defying authority and so on. When you get 10- and 11-year-old children in this province, as they are in the city of Burlington, being removed from school by the principal for 80 to 100 days of the year, this child has absolutely no hope of ever getting educated. I'm seeing an increased trend here. A child simply has to swear at a teacher and they're suspended for two weeks. Parents are being called throughout the day to come and get their child. A disproportionate number of these children are children with mental health issues, disability issues and learning disabilities in particular. I suspect you're very aware of this.

Hon. Mrs. Chambers: I am very aware of it.

Mr. Jackson: One of the challenges facing your ministry is how you integrate it with the other ministries. Your deputy is smiling because she knows we engaged in this dialogue with Ms. Akande when she was the minister about a comprehensive child services policy framework and how you integrate it with Comsoc, health and education. That's for a discussion in a couple of years, to see how that evolves. I know you probably are anxious to get on with that business. But here is a classic case of where your ministry should be stepping in and saying, "Excuse me, the outcomes for these children are being highly compromised."

Our systems are putting children into gaps, and this is a classic case of it. When you start depopulating, for whatever reason, your secure custody facilities, you have to very rapidly provide additional supports for community placement or else—we're mindful, all of us, that these kids are supposed to be in school and they're supposed to be getting educated. But when the school system is driving them out the door—and this is a question we'll be asking the Minister of Education, to be monitoring our elementary students at least, as to those who are being driven out of school because of conduct issues and the system is hiding behind the Safe Schools Act.

1030

I'm going to run out of time, but in the next rotation I also want to discuss the issue around child treatment centres and their budgets, because they are one of the

areas in which we can do better assessment, more timely assessment, where we can look at program delivery, and at residential. Again, I haven't had time to look at these estimates, but I want to get a sense from you, Minister, that you understand that there is this very, very large, rapidly growing cohort of children out there whose educational experiences will be put at risk—their outcomes will not be assured for them—and that the education system is sort of saying, "You are not to be here. We know you should be somewhere else, but you can't get in there." So those—

Hon. Mrs. Chambers: You have no idea how near and dear this issue is to me.

Mr. Jackson: And your staff know how near and dear this issue is to me.

Hon. Mrs. Chambers: Yes, and I'm happy to hear you say that, because there are different schools of thought—"schools"; there's a coincidence. There are different schools of thought on why this is happening. There are a lot of people who actually blame your government for the Safe Schools Act, and the Minister of Education is conducting a review of that act right now. There are two sides to the act, actually.

Mr. Berardinetti was commenting on constituents of his saying that they are concerned that their public school isn't safe any more. Well, we want the public school system to be strong and we want the schools to be safe, because it's only in a safe, comfortable environment that children are actually going to be able to learn and be successful. So we don't want our schools not to be safe. We want our schools to be safe. We don't want kids being bullied. We don't want teachers being bullied. But we also want to ensure that kids, as you just suggested, are not being deprived of the opportunity to have an education and have a future.

I am also hearing from my stakeholders that, yes, the populations you refer to are suffering out of proportion, if you like; kids with disabilities, visible minority kids are suffering.

I would not be too eager to draw the connection between that and the new federal Youth Criminal Justice Act and where we are in terms of secure custody, but I wouldn't be surprised if a lot of kids are finding themselves under the community supervision work that we are doing because they are on the street. Right? And that is a concern that I am happy to hear you share, because it's a serious concern to me. I can also tell you, I've seen a number of other connections that are troubling.

We talked about the mental health connection, and I mentioned that program managers have expressed their observation to me that roughly 30% of the young people they are seeing in youth justice have mental health conditions, mental health challenges. So when we added \$25 million last year to the children's mental health budget, which will grow to \$38 million of additional funding for children's mental health, we are saying we recognize that this is a huge problem area.

When we see estimates ranging from 40% to 70% of kids in the youth justice system having previously been

in the child welfare system, again we say that we have to see the services that we provide in our ministry as a continuum of services, because we actually, unfortunately, see kids more than once along the continuum. That's another reason we are so committed to Best Start, but we recognize that there is a population between Best Start and 12- or 13- or 14-year-olds that we have to take care of.

The federal Youth Criminal Justice Act—I have learned just this week that the Attorney General, Minister Bryant, has asked the federal government for a review of that act, just because he wants to make sure. This is all part of his tough-on-crime package. He wants to make sure that we are in fact not doing harm to communities as a result of the federal Youth Criminal Justice Act. But I can tell you that certainly the law enforcement communities and the justice community have been working in a very, very focused and very progressive manner in trying to ensure that we take care of these kids, because they're not going to go away.

The Chair: Thank you very much, Minister. Ms. Horwath.

Ms. Horwath: I just wanted to finish off a couple of specific questions around the Best Start piece. The chart is very helpful, which indicates the breakdown over the next three years, but do you have anything that indicates what the expectation is in terms of how many licensed child care spaces will be created by the end of, let's say, March 2006, and what you expect for 2006-07 and 2007-08, so that those are actually broken down into targets per year?

Hon. Mrs. Chambers: We actually have those numbers, but they are our projections on a year-to-year basis. With all due respect to the work being done by the local municipalities and regional service managers, we have not given them the year-by-year numbers because we would like to give them the opportunity to give us their plans. So the numbers we have actually given them are three-year numbers.

If you think that they are concerned about utilizing the first-year dollars and the pressures to utilize the first-year dollars—

Ms. Horwath: I'll wait until they see the other targets.

Hon. Mrs. Chambers: If they were to see what we were hoping for in year one, they would probably be even more stressed. So we think it's fair to see their plans. By the end of December this year, we will feel more comfortable sharing the year-by-year numbers, because they would have had the opportunity, which I think they need to have, to tell us what their local challenges and their local abilities are. We know what we'd like to see, but those numbers are not hard numbers on a year-to-year basis. What I can tell you is that the number I've been given for where we're at this month so far is 700 new spots, which I think is not bad at all given that—

Ms. Horwath: I'm sorry, that are already under construction, or that are—

Hon. Mrs. Chambers: Seven hundred spaces have already been added this month, open and ready to receive kids.

Ms. Horwath: That's great. And then how many would that be between—let's say this fiscal year? How many would that be? Is that it, the 700, or just this month?

Hon. Mrs. Chambers: That's new spaces as of September, new spaces that are ready and available to kids out of this three-year plan.

Ms. Horwath: Is that included in the 4,000 spaces that you talked about?

Hon. Mrs. Chambers: Oh, no. The over 4,000 spaces were 2004-05 numbers. So this 700 is brand new licensed capacity this September. This would be part of that three-year plan. I'm very pleased with them, because I know some municipalities actually said to me that they weren't going to be able to do anything as early as September, just because we had gotten off to such a late start with the federal approvals not having been granted before the end of June.

Ms. Horwath: Great. I'm just wondering: These are all for the four- and five-year-old categories, right?

Hon. Mrs. Chambers: It's primarily senior and junior kindergarten.

1040

Ms. Horwath: I raise two points about that. One is, when do you realistically see the rollout of opportunities for parents with younger children? I ask that because I come from the municipal sector—many of us have that history—and I know where the pressures are in terms of parents needing child care, and also in terms of early learning and the importance of early learning. I'm just wondering when you expect the rollout of some of those spaces.

I know that when the previous minister made her announcement about this plan last year, many parents with very young children were led to believe—my brother was one of them; he called me right away and said, "When can I get my child care spaces?" Many parents with very young children, and in fact many parents who were just pregnant, expecting families at that time, were excited about the prospect that they would see some licensed, quality, accountable, developmental care for their very, very young children. The various documents I've read that have been published by the ministry talk about the longer-term goal and the eventuality of rolling out these spaces. I'm wondering, do we have any targets at all as to when some of those spaces will come on-line?

Hon. Mrs. Chambers: Some of the under-four-year-old spaces will come on board this year, but I'm going to ask Lynne to give you her impression of how that's going to roll out.

Ms. Livingstone: The municipalities, in their role as local service system managers, are right now leading the planning exercise for how the expansion of child care in their communities will occur this year and in the multi-years. We've said to them that the priority is four- and five-year-olds, because we're trying to support a transition into school. But we've indicated that we know that to have a strong system, we need to see some moderate

growth in the zero to four range as well. Also, the way operators deliver services, sometimes younger groups are with older groups as well, so we understand that's a necessity of delivering the system. The plans that are coming in in October for 2005-06 will tell us exactly how many new spaces are coming on for the zero- to four-year-olds and for the four- and five-year-olds. So they're working on that right now.

Ms. Horwath: You're satisfied that the deadlines you've set are going to be reached and you're not going to have problems with time.

Hon. Mrs. Chambers: We're going to get the plans.

Ms. Horwath: All right. I guess if there's one last comment about the capital side, it's that it would really be a shame, really unfortunate, considering the federal government's commitment to child care and the provincial government's commitment to child care, if we couldn't solve the problem with the trust situation and we actually lost opportunities to move forward because of the way the money has been earmarked. That would be extremely unfortunate. I certainly hope that doesn't happen, and I expect that all of us feel the same about that.

I notice, Minister, that the last couple of times you've spoken about the expansion of the system, you spoke about expansion in the not-for-profit sector only. Is it now a policy that expansion be in the not-for-profit sector only? I recall that yesterday as well—and I'm going to bring this in too, because I think it will be part of your answer—you mentioned quite clearly that you don't want big-box daycare. First of all, on the issue of expansion in the not-for-profit sector only, is that something you are prepared to be committed to? Again, I'm talking about expansion; we all recognize that the for-profit sector has played a very integral role up till now. I think the common table that exists in the industry has also recognized that, and I think that's a positive step. But I also know that expansion in the not-for-profit sector only is an important principle to prevent the very thing you mentioned yesterday, which is the likelihood or possibility of big-box daycare coming to Ontario. Is it the case that it's not-for-profit only, in terms of expansion and in terms of capital dollars? Also, it's fine to say we don't want big-box, but in what way can the ministry ensure that we don't get big-box? What are you doing to make that the case in Ontario?

Hon. Mrs. Chambers: Certainly, capital dollars for expansion are being directed to the not-for-profit sector. Operating dollars, for example; wage enhancements—all those dollars are available for child care.

As I mentioned yesterday, and in fact corrected later on in the day, approximately 80% of child care spaces are currently in the not-for-profit sector. I also mentioned that we have a few non-urban areas where the only providers are small for-profit centres. These are very, very small areas. We don't want this to be a big-box, commercial undertaking. How do we prevent that? I think the market will help to prevent that. Having the support from government directed toward the licensed child care

spaces that we fund or subsidize will be a major factor in what thrives in this province and what does not survive, where there is no attraction, in this province. Child care is not cheap, as you know.

So to get support from the federal government and the provincial government for subsidies and for support for lower-income families to be able to afford child care is a major advantage, I think, for the not-for-profit sector and the small for-profit operators.

The municipalities are also playing a significant role in terms of how they are designating the allocation of spaces in their particular areas. The city of Toronto has made its position clear. I don't know what the city of Hamilton's position is off the top of my head, but I certainly know that the city of Toronto has declared a not-for-profit-only stance. So we believe that that's actually going to be the continued trend.

Ms. Horwath: So there's nothing specific that you're doing to ensure that that is the trend. I raise it because I think it's naive to imagine that some of the big-box providers from other markets are not keeping an eye on the amount of dollars that are flowing in Canada and in Ontario to expand our system. Although I understand what you're saying in terms of these other issues, it seems to me that unless there is some proactive indicator or signal from government—and I think it's government's responsibility to send those signals out—we are actually vulnerable to that kind of situation. So I think there are ways that the government can make sure that there is not going to be the big-box scenario coming into play.

I'm hoping that you'll reconsider your hands-off approach to that commitment because, although, as you say, the city of Toronto may have made that determination, leaving it up to the CMSMs in a kind of patchwork way I don't think is the appropriate leadership that is required in this particular regard.

Hon. Mrs. Chambers: The province's position is clear. When we talk about—

Ms. Horwath: But is it backed up with legislation, though? Is it backed up with anything—

Hon. Mrs. Chambers: When you talk about dollars flowing, our dollars will not flow to capital expansion in the for-profit sector.

Ms. Horwath: Yes, but it will flow to operating dollars, Minister, and I don't think there's anything that would prevent a private company, big-box company from deciding they'll invest those capital dollars, because over time they're going to get funded with the operating dollars and therefore they can come to Ontario. Part of their investment is the capital, and what they get back for that is the operating.

Hon. Mrs. Chambers: Actually, they won't have that opportunity, because it's not as though we have an infinite flow of dollars. We actually have a finite fund and we are working with the municipalities and the regional service managers on how that flows. So we do have a say in that; we do have a say in the prioritization, for example, of subsidies. So when we're talking about

lots of dollars flowing, if we're talking about government dollars, they're not flowing wherever there may be a demand for them. We are managing that very, very closely.

When I speak about the market having play in this, if a family sees fit to put their child into a private for-profit daycare operation, that's their prerogative, but you will not be finding public dollars flowing in that direction.

1050

Ms. Horwath: All right; one last comment, then. The pressures that exist right now to spend the 2005-06 capital pocket of money: It seems to me that it's often-times a lot more challenging and a lot more difficult for the not-for-profit sector to harness the resources necessary to put together the proposals, including finding the land and drawings, all of those kinds of things. In the private sector it's a lot easier to do that kind of work, and the ability to make those investments and fund those preliminary pieces to any proposal is much easier to absorb. So I'm just wondering, as we get close—

Hon. Mrs. Chambers: Big-box plans will not be approved by our government.

Ms. Horwath: Big-box plans will not be approved.

Hon. Mrs. Chambers: They will not be approved as part of that allocation of these dollars. They will just not be approved.

Ms. Horwath: Thank you. That's good to hear. I'm pleased about that.

I don't know how much time I have left, Mr. Chair-man.

The Chair: Four minutes.

Ms. Horwath: Can I just talk to you a little bit more about the spaces? I mentioned that we had some concerns about the younger children and we talked about how some of those might be coming on-line in fits and starts as we roll out the four- and five-year-olds. Again, that's positive. But I'm wondering specifically around the opportunity for subsidies and how that system is shaping up in terms of the sliding scale and whether there's anything more firm around how that's going to look.

Hon. Mrs. Chambers: I think you can look forward to an implementation of this parallel, this test opportunity. What we want to do is to implement a formula in a shadow manner in a couple of regions so that we can continue to provide the subsidies that work right now while we are testing to see how the new formula will work. We want to make sure that we do this right. So we are very close to being able to start that testing; we're not quite there yet. But then we are hoping that by the spring of next year we will actually be able to bring forward the new formula for implementation province-wide.

Ms. Horwath: OK. I know that Mr. O'Toole was saying he didn't think a \$5-a-day type of model would work, but I'm wondering if that was ever considered, whether that kind of model was considered or in fact whether just direct funding was considered as part of this program.

Hon. Mrs. Chambers: He was referring to the Quebec model, and I seem to think the actual amount is \$7.

Ms. Horwath: Yes, it is now.

Hon. Mrs. Chambers: There he is—speak of Mr. O'Toole.

I'm also of the understanding that the Quebec government is reviewing that now. It's not sustainable. So if we want to make sure that whatever we're doing is high quality, universally available and sustainable, we have to make sure we do it right. I think the sliding scale that reflects some people having a greater need for support than others serves the public good to a greater extent.

Ms. Horwath: And what about the idea of a model that would be just directly funding child care centres, period—a direct funding model, where there are no subsidies or anything like that; just a direct, straight funding model?

Hon. Mrs. Chambers: When you say direct “funding,” do you mean free?

Ms. Horwath: Yes, I mean based in—

Hon. Mrs. Chambers: Whatever we do has to be affordable and sustainable. I think that is a principle that we must adhere to, because otherwise it won't last.

Ms. Horwath: In the research that was done in preparing your model or where you're going with this, what is it you found that led you to this model particularly?

Hon. Mrs. Chambers: Our objective is not to have free daycare. Our objective is to have a system of early learning and child care that provides a quality and developmental type of environment for kids. On that basis, we want to have this accessible to as many people as possible. In some cases what they need to make it accessible is just more spaces, and in other cases what they need is financial assistance to make it more affordable. Those are the principles that are guiding how we are defining this program.

Ms. Horwath: Am I done?

The Vice-Chair (Mr. John O'Toole): If I may, you're done. I will now recognize the government side.

Mr. John Milloy (Kitchener Centre): This is the first time I've had a chance to ask the minister any questions in this estimates segment. I want to begin by congratulating you, as some of my colleagues have, on your appointment.

Hon. Mrs. Chambers: Thank you.

Mr. Milloy: As Minister of Training, Colleges and Universities you were a frequent visitor to my area, because we had a number of key stakeholders, including two universities and a community college. I want to put you on notice: I think you'll be a frequent visitor to my area in your new responsibilities because we have a large number of stakeholders who deal with your ministry, both directly and indirectly. I just want to report, as I did to Minister Bountogianni when she had the role, that they are very enthusiastic about the creation of a new ministry and the efforts that have been made to try to coordinate children's services across the board.

Among the many stakeholders—and I want to ask about several of them as time permits—perhaps one of the most pressing involves our local children's treatment centre, which goes by the name of KidsAbility. It works,

as all treatment centres do, with children with physical, developmental and communicative disabilities, and does outstanding work in our community. That's witnessed by the many stories that come out about the miracles that, as an institution, it works, but also I think by the incredible amount of community support that it receives. Just several days ago they kicked off their annual fundraising campaign. I've had the opportunity to attend a number of the kickoffs, and they're jammed with community leaders and community supporters. People come forward to volunteer their time but also to donate money.

The problem that our CTC is facing, as of course many are across the province, is the issue of waiting lists. I have, I'd say almost every few days, a letter or an e-mail from a parent who is waiting to have their child enter a program at KidsAbility, and there is a degree of frustration. I also meet with those who administer KidsAbility on a fairly regular basis, just to get updates. Of course, they too are facing those pressures of the waiting lists.

I've been working with them since almost day one, and one of the things that I've done is encourage them to work with other children's treatment centres across the province. They have an association that has gotten together and, I believe, gave your ministry a proposal on how they might move forward. Admittedly, part of that did involve a funding increase, but they also looked at how to coordinate some of their services and perform more of a hub role.

My question today about this particular stakeholder, KidsAbility, is in two parts: one, your vision as minister about these children's treatment centres—and obviously KidsAbility is the most important for me—and then second, the issue of lineups and capacity and moving forward; how we can work to eliminate them, I guess, or to get them down to more manageable levels.

Hon. Mrs. Chambers: First of all, Mr. Milloy, I think it's very important for everyone to know the real story behind all of my visits to your area. It was not just because I had universities and a college in the area. You know that that's not the only reason why I came to that area. To be really honest, people need to know that you are an incredible representative for that area. You work very hard and you work the ministers in this government really hard to respond to the needs of your community, so I have no doubt I'll be back there time and time again. But do you know what? That's what your constituents expect of you, and I'm so happy they have you there.

1100

I'm not really comfortable with using this forum to talk about specific allocations to specific organizations. I know about the importance of MPPs being able to represent the interests of their constituents, and you do a superb job in that area. I'm going to tell you a little bit about what I know of KidsAbility, which sounds like a really superior centre. I'm also going to speak more, perhaps, about children's treatment centres in general.

I've actually visited one already, and there are 20 of them in the province, I think. There is also a new one that

we have announced funding for recently, and it's going to be a slightly different model compared to most of the others. This one will be for the Simcoe and York regions. The reason why I say it's going to be a slightly different model is because it's looking at how it can bring together a variety of service providers in the special needs sectors to deliver their services in a more effective manner. I spoke yesterday about a delegation from Halton region telling me that, actually, funding is not their biggest issue; their biggest issue is the difficulty that families experience navigating the system. I think the model for the new children's treatment centre in the York-Simcoe region might actually be very interesting in terms of their different approach to bringing service providers together.

However, last year we announced a 3% increase. I think this was the first increase in many years for children's treatment centres. You are right about the wait lists, I gather. Now, currently, the 20 centres serve about 35,000. That's a large number, yet I know there are others they are unable to serve because they don't have enough resources. At the end of June, we announced an additional \$10 million to address things like specialized respite, a range of in-home and community supports, residential beds, interdisciplinary assessments, care coordinators and more flexible funding.

One of the other reasons why I kind of hesitate to talk about individual service providers is because my ministry has a regional structure which tries to encourage service providers within each region to work with that region's office on determining how local needs can be addressed and how resources should be spread amongst this myriad of local service providers. KidsAbility, however, did receive that 3% base increase. That increase was part of a \$1.6 million province-wide increase in 2004-05. There are other areas in which they have received support. For example, this year our government is investing \$31.4 million in preschool speech and language therapy. That includes a budget increase of \$4.7 million as part of Best Start. KidsAbility will share in about \$855,000—that's their share of that fund.

They also are one of the IBI service providers in that region. They're a regional service provider, as in each region has a regional service provider, and their regional service provider is a centre called Erinoak. Erinoak looks at how the funding is allocated for their particular region. That's part of the central-west region. Central-west also received \$2 million of that \$10 million that was announced recently to hire more therapists for the IBI program. The additional therapists have been truly beneficial to the system, the additional 110 therapists that we talked about yesterday who have helped to provide support to 39% more kids with autism.

Just this past week, we actually announced additional autism dollars to the service providers, so this year's allocation will be 2.5 million in additional dollars, which will annualize to \$5 million in 2006-07. The central-west region, where KidsAbility would reside, will receive an additional \$500,000 this year, growing to \$1 million next year. That's intended to address getting more kids off

that wait list for services. I don't know what KidsAbility's share of that funding will be, but KidsAbility, as you said, has launched their campaign recently. They have a lot of friends, and a lot of them know my address, because I have been hearing from a number of them. They have also written to the Minister of Finance and others. They are very fortunate to have a representative like you. Sometimes I get letters from you, Mr. Milloy, that are longer than the letters that the stakeholders wrote to you, which demonstrates that you do a lot of work investigating these situations. I appreciate that.

In all these types of situations, we are striving to do the very, very best we can. I wish money was not so often an issue, because obviously our funds are finite. But if it were for the sake of the advocacy that's done for your region, I think other regions would be in a lot of trouble, because you do such a good job. Anyway, KidsAbility is a great facility, providing rehabilitative and even residential-type support. We're very grateful for their work and their commitment, and you're right in supporting them.

Mr. Milloy: Do I have more time?

The Vice-Chair: Certainly. You have a couple of minutes left.

Mr. Milloy: Thank you very much, Minister, and I look forward to continuing to work with you on KidsAbility.

The Vice-Chair: The personal dialogues—maybe we should be focusing the questions so that—

Mr. Milloy: I'm sorry?

The Vice-Chair: Personal comments are—maybe you should focus on questions as opposed to flattery.

Hon. Mrs. Chambers: Mr. O'Toole.

Mr. Milloy: Mr. Chair, that was a fine ruling, which obviously demonstrates your experience in being a Chair.

I'm going to switch to another stakeholder and talk about our local children's aid society. Again, it's an organization that has demonstrated a tremendous amount of local community support. I received just yesterday a leaflet for their upcoming Christmas fundraising campaign, which is always a huge undertaking in our community. There are all sorts of business and individual donations and support and lots of media attention. They're an organization—family and children's services is what it goes by in our community—that is doing a lot of good, but of course, as you know, the problem with our children's aid societies is that they've gone through this system of, it seems, annual deficits and funding problems. At the same time, I know that your predecessor started to look at children's aid societies and how they could deal with some of the issues surrounding funding so that it was on a much more stable basis. I had a chance to ask the minister last year about it. I'm going to ask you: Where are we in terms of the evolution of our children's aid societies?

1110

Hon. Mrs. Chambers: Thank you. We are actually, right now, in the throes of discussing their budgets and our transformation priorities and how we would like to

see them progress. They do good work. They do very important work. They're serving somewhere between 18,000 and 19,000 kids whom I would be concerned if they weren't serving, if you like.

We have emphasized that the safety of these kids will remain paramount as we, for example, move toward more permanent solutions for these kids. I mentioned yesterday that the average length of stay for a child in foster care is 22 months. It's not a very long time. Over 2003-04 and 2004-05—recent numbers that I have on adoption suggest that even though we're talking about 18,000 to 19,000 kids in the care of children's aid societies, we saw something like 880 adoptions. I'd like to see more of that. I'd actually like to see fewer kids needing some of the kinds of care that we're seeing in the child welfare system. We are working with them toward the sharing of best practices, a common information system wherever possible.

I think it's also important to know that we have added \$100 million this year to their budgets, so they're in the \$1.2-billion annual budget range. I think that we will continue to work with our children's aid societies in terms of the transformation agenda because they are key service providers, key partners, in the provision of care in the child welfare system. There are 53 of them around the province, including a few that are religious-based and aboriginal-community-based. They are integral to the child welfare system. But we may not have all the dollars that they would like us to spend based on how they function now. We need to take them to another level with us as we transform the child welfare sector.

The Acting Chair (Ms. Andrea Horwath): Mr. Milloy, you have about two minutes—maybe not quite.

Hon. Mrs. Chambers: Can I—

Mr. Milloy: Sorry; I was just going to ask a follow-up on the children's aid—

Hon. Mrs. Chambers: Go ahead.

Mr. Milloy: But you wanted to add something there.

Hon. Mrs. Chambers: I was actually going to ask if you'd let me spend some time on the aboriginal youth justice question that Mr. Berardinetti had asked.

Mr. Milloy: Why don't I then, with two minutes left—my colleague here didn't have a chance to have a response to that, on the aboriginal angle on youth justice issues, just to bring people up to speed.

Hon. Mrs. Chambers: Thank you very much for being so considerate. I need more than two minutes. However, one of the programs that's really quite exciting that begins this year is a program called Akwe. It's directed more toward aboriginal youth who are in urban centres, but in 2005-06 the total annual funding identified for that program is \$2.05 million, which includes \$500,000 from our youth justice division of the Ministry of Children and Youth Services. They're also receiving some of that money from the Ministry of Natural Resources, the Attorney General's ministry, the Ministry of Health and Long-Term Care and the Ministry of Citizenship. It's an exciting community-based kind of proposal.

Other aboriginal services that we have: aboriginal child care; an aboriginal stream for the Early Years chal-

lenge fund; an aboriginal Healthy Babies, Healthy Children program; and a child nutrition program. We have supports specific to aboriginal child welfare, and we do some of that in conjunction with the federal government. We certainly focus in on their very, very critical needs.

The Acting Chair: That's great. Thanks, Minister. I'm now going to move to Mr. O'Toole. I'll just let you know that we're moving to 15-minute segments to take us to the lunch hour, after which we'll break for lunch for half an hour.

Mr. O'Toole: A couple of things. I've had time to look at a couple of the reports provided this morning, and I compliment the ministry on the autism update on programs and the number of children—

Hon. Mrs. Chambers: There's flattery.

Mr. O'Toole: It's very, very good.

Hon. Mrs. Chambers: Thank you.

Mr. O'Toole: Mine is actually genuine.

Hon. Mrs. Chambers: Oh, Mr. O'Toole. It's appreciated. Thank you very much.

Mr. O'Toole: We did the same thing. I think you're a wonderful minister, and that's on the record.

I do appreciate the questions about the children's treatment centre and am very encouraged to see that you see that the regional model in Simcoe-York might be a little bit more innovative in terms of what you've identified earlier as navigating the system. It presents challenges, often to young families that are looking to find how they access services. Anything you can do to help constituency office staff—some orientation there would probably be helpful through the regional offices, because quite often, if we can be helpful—we could be part of the delay itself. People, first of all, don't know who to call. They often call, if they're comfortable. Having a good representative member and the staff in those offices, we can be helpful to direct them, if not to a Web site, then certainly we can provide the information if it's on some information Web site.

I think it's extremely important. In fact, you're doing very much the same thing as the local health integration networks. Everyone will have a view on how to integrate those things and who the decision-makers actually are. But if you look at all of the programs from birth to six, and from there to 18, there's a whole need to look at regional coordination. I'm not trying to be smart here, except to identify that what you've said: Navigating the system creates challenges.

The specific question might be, has any thought been given to—birth to the grave in life and services is what we're looking at here, whether it's your ministry, the Ministry of Health—

Hon. Mrs. Chambers: Sorry, I missed that—any thought given to?

Mr. O'Toole: Integration of services, meaning that when you segment this delivery stream—you've taken great pains, our government as well as yours, with the early identification issue, assessment of new births, of children at risk. They should get a little map right at that point to sort of integrate them, if they've got a lifelong

condition that's going to affect the child and the family. Why aren't they integrated into the whole LIHN model?

You're right. There is a range of service providers like the CCACs or the access centres for community support. Those integrations are extremely important, and the more seamless, the better. If you've got case management systems that aren't communicating—and they'll have to develop these case management systems right down at the delivery level. We want seamlessness in the systems themselves. Has any thought been given to that?

1120

Hon. Mrs. Chambers: Absolutely. It's a very wise idea, and it does speak to the concept of focusing on the client: the child, the youth and their families.

Yesterday I mentioned that we have brought these pieces—and there's still more to come—from other ministries to create this Ministry of Children and Youth Services. But there is a very, very important next step as part of this work, and that is to make sure that we integrate services to the point where we can truly say that a child whom we first met in Best Start or child welfare or mental health services is actually recognizable throughout the system. That's one of the ways in which we will be able to do more prevention and early interventions. Quite frankly, if we had that right now, even in some of the individual sectors such as mental health or special needs, we probably would have more meaningful-looking wait lists. So we're working on a wait management strategy that would better reflect what the needs are out there. We know, for example, that if a family goes to one service provider and they're not able to get the services they need right away, they may go to several other service providers, which means that they're going to end up on several wait lists, which means we don't have an integrated service delivery mechanism even in that one particular area of service, not to mention across the system.

You mentioned the LIHN model, so you might be interested to know that we are in fact looking at the community care access centres and how we can—when I say “we,” I mean all government; it's certainly not mine to lead. This is an initiative of the Ministry of Health and Long-Term Care, but we are one of the parties to that work and we're looking at how the community care access centres can better align with the LIHNs and better align with the navigation and delivery of services provided for our children and youth through the Ministry of Children and Youth Services. So yes, you are on track in terms of what our thinking is.

I also appreciate your suggestion with regard to orientation of constituency offices on the services we provide and how to access the services we provide. I think we'll take that forward to our communications people in the ministry and see how we can do that more effectively. I seem to remember Ms. Horwath talking about that yesterday in relation to the screening—remember?—and some of the cultural concerns that we may need to overcome. While our screening is not mandatory, if more parents choose to accept the opportunity, it will be a

more successful program. So I do believe that there are opportunities to communicate—and communicate and communicate. It's amazing how many times I find that I can say something publicly and still find that there are people who don't know anything at all about it. Of course, if our constituents don't know, then they don't have the ability to take advantage of us.

Mr. O'Toole: That's a very astute observation in terms of the whole waiting list, whether it's for long-term care or—you know, they all have these waiting lists. Sometimes, whether it's housing or whatever, they're on probably every list they can think of. The person or the family needing the services probably is on every list they can get their name on, and quite often it makes it difficult to interpret the statistics of either waiting for assessment or waiting for treatment or waiting for a house or waiting for a bed or whatever.

I think the coordination and technology today, whether it's Smart Systems for Health or all this stuff—there's a fair amount of infrastructure that's being built and needs to be built efficiently. Whether it's Management Board or the infrastructure ministry that really looks at this to make sure that the platforms as well as the management tools that are being used, both in assessment and prioritizing service delivery, are not based purely on how long you've been on the list, but on the severity of the issue.

I've found that myself, in that sometimes the insurance planner in long-term care is in the same boat. I should be able to call the CCAC—in our case, it's Durham Access to Care—and then find out if there is duplication of services. I find that quite interesting; I really do. I don't think the CCACs are fully integrated yet in terms of community service. There are several service providers that aren't really linked into that, and often, it's contract issues that make that seamless transition difficult, because you have contract service providers that don't belong to certain organizations.

Hon. Mrs. Chambers: Approximately 70% are transfer payment service providers.

Mr. O'Toole: I guess the NDP had a model similar to the one—when we transferred money from long-term stays in hospitals to the community, it looked like we were cutting health care budgets. In fact, health care was going up \$10 billion over our term, and a lot of it went to the CCACs. I think the next step, of course, was whether or not you go with the regional model, which is what the LIHN is, really.

Hon. Mrs. Chambers: The Minister of Health is going to be really thrilled to hear that you like that, because that's what he's thinking, too.

Mr. O'Toole: The legislation is due, I guess, this session. They're going to have legislation on the model.

I'm just going to change a little bit, but I am staying on the autism, where you're making progress. A couple of quick questions: What is the estimated cost of an assessment for a child and determinant of their—a lot of times, parents have already had some testing at some centre. What's the actual cost of an assessment? You see,

30% are kind of rejected or not seen to be needing the service for each year.

Hon. Mrs. Chambers: I'm going to have the ADM, Trinela Cane, whom you met yesterday, come forward.

I want to start this discussion by ensuring that we understand that what we are talking about here is autism spectrum disorder. So what we are talking about are different levels of care, different types of interventions, and our commitment to this continuum of services that more accurately matches the continuum of need, hence the need for this consistent assessment process to determine the appropriate services.

Ms. Trinela Cane: Thank you very much, Minister, and thank you for the question. The answer to the question is not currently available to the ministry. I'd like to highlight, just in terms of the available data, that you will have in your package a very comprehensive review of statistics that we now prepare quarterly around, as you noted, Mr. O'Toole, waiting lists and a whole variety of other things. This actually represents a fairly significant effort on our part through our regional offices with our regional providers to actually provide that information on a very timely basis, and that is going to continue.

As we appeared last time before the standing committee on public accounts, it was noted that the ministry has some serious gaps related to data and data management in this program. This set of charts that you have in front of you goes some distance toward improving our information systems in that area, and that work will continue. Another piece of that is that, in terms of costs related to the autism program, we were not, as noted by the Auditor General, in a very good position to articulate specific cost elements and cost components in our program, which perhaps is a bit of a long-winded way of getting back to your question.

As we are looking at our various service components, we've undertaken a fairly major activity-based costing exercise, following our last appearance, as I said, at public accounts. We are looking at the individual elements of our service, including assessment. We have done some work with three of our larger service providers, not only to go back and look at the data from a much earlier year—we're looking at 2003-04—in the areas of the various components of service: assessment, supports to parents, the cost of IBI and dollars related to per-service hour costs. All of that has been analyzed for the 2003-04 year with our service providers that I mentioned.

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Our project is not completed. Activity-based costing is very significant and in-depth, and what we are now moving to do is to extend our sample to our nine service providers to identify the cost elements, including those related to assessment. So at this time we don't have that information, Mr. O'Toole.

Mr. O'Toole: I get the "no answer" on that and I understand, but I think it's about \$3,000 to \$5,000; that's the number I've heard. But I could be wrong. I've heard it, so I'm going to use it.

The last thing I want to get on the record—because my time has run out—is, didn't you look at options for persons needing long-term support on drugs? They have the seniors' drug program as well as the ODSP and the Trillium plan. There's a plan that's sort of income-tested under Trillium, but it's for pills and stuff. I'm often wondering why some of these treatments that aren't drug-related but are therapy-related aren't handed out the same way. Under the Trillium drug plan, you spend the first amount of money and the rest is covered by the government.

When you look at this individualized funding, I see that the direct-funding model is increased by 42%, which is a good indication that there is a more direct role with the family and the arrangement of care and their lifestyle—shift work and various things—when it's convenient for the family and the individuals.

Therapy, not just drugs—I think that therapy is far more valuable than drugs in many cases, especially children with behaviour issues and some of the information you get on that. Is there any thought given to looking at something like a Trillium plan for persons accessing direct services like therapies for autism?

The Acting Chair: Perhaps the minister can answer that next time, because we only have a few minutes left before our lunch break.

Mr. O'Toole: I'll just leave that on the books as a question.

The Vice-Chair: The Chair recognizes the third party.

Ms. Horwath: Well, thank you, Mr. Chairman. I wanted to follow up, if I can, really briefly on the subsidy model and just ask: Is there any chance that we can get a copy of the draft model that's going out to shadow the existing system and an idea of which pilot communities that draft model is being piloted in?

Hon. Mrs. Chambers: We are still working on the model, so as soon we have what we are going to be testing, that will be available.

In terms of the communities, we have been working with communities that have been able to provide us with the kind of detail that we need. Different communities have different information systems. Toronto and York have been able to provide us with a fair amount of detail on their current subsidies and their current desires, if you like—their wish list and their wait list and the kinds of demographics that their particular regions experience in terms of the child care environment. Those two regions are good candidates if you're going to shadow, because you need to have a control group so that you can compare what you are—

Ms. Horwath: So it's Toronto and York so far?

Hon. Mrs. Chambers: That's what we have so far.

Ms. Horwath: That's fair.

I wanted to ask about the Best Start pilots. You had talked about them a little bit in your opening remarks. I'm just wondering, in the general sense, have you learned any initial lessons in terms of the rollout?

If you don't mind, I'm going to be really blunt about what my concerns are as a pilot community, because I

think it's important to get this issue out in the public realm or at least on the record. I think that it's an important one. It's around the QUAD principles that the system is based on and how we're going to ensure that those principles actually show up in the final product as we go through the pilot development process in the pilot communities. Particularly, I think about the issues of universality and accountability.

I raise that because the pilot communities were chosen, in my estimation, specifically because each of those communities—and I think the minister mentioned that in her remarks—have characteristics that are important and that will help us learn in terms of how to roll out across the province. But considering that that's the case, I'm wondering what kind of assurances are being put in place to make sure that not only the local planning groups that are working on the details but also the programs themselves are going to be fully accessible in terms of socio-economic demographics, in terms of ethno cultural and religious demographics. How are you, as a ministry, making sure that's being built in within the pilot system, and then how are we making sure that on-the-ground delivery is going to be able to have those principles reflected?

Hon. Mrs. Chambers: I'm going to ask you to allow me to have the executive director of the program speak about what she has seen from the demonstration sites.

Ms. Horwath: Sure. And if you don't mind, it would be helpful if there were any written guidelines or any specific written directives that indicate that these pieces need to be in place.

Ms. Livingstone: We actually have quite extensive guidelines for all of the communities participating in Best Start, for what we call our phase one communities, which is the entire province participating in the expansion of child care. In addition to that, we have quite detailed implementation planning guidelines for our demonstration communities, and we can readily provide those to you.

In those guidelines, we are explicit in asking communities in their Best Start networks to identify in their plan how they're meeting the needs of their local communities: We ask them to identify the data sources that they're using to understand the demographics for those communities that have the opportunity of the early development instrument data; we're asking them to tell us how that's influencing their recommendations around their plan. In addition to that, we're asking them to be explicit about how they're meeting the unique needs of their community—in particular, how they're meeting the needs of francophone communities, aboriginal communities and children with special needs, so that we can understand and see in the plan how that's going to play out. For example, in the demonstration community, how are those children going to access the Best Start hubs that each of these communities are planning for?

That's the planning framework. Those plans for the demonstration communities are due into the ministry at the end of October. I can tell you that these three com-

munities—I've met with all of them. As recently as last week, I was up in New Liskeard. These communities feel they've had a tremendous opportunity, and the enthusiasm and willingness around the tables is quite something. They're meeting weekly, all day long, to try and meet our deadlines and really to try and make it meaningful, because they feel they've been given a tremendous opportunity to do something good for their communities, so there's an awful lot of goodwill around the table. In addition to that, I would be remiss if I didn't highlight that another important part about Best Start is engagement with parents. It's an explicit requirement in our guidelines, not just for the demonstration communities, but also for our phase one communities. The Best Start networks have to tell us how they're doing that. We want to hear the parent voice so that those plans ultimately reflect what parents in the community would like to see happen.

That's the planning framework. The accountability framework then comes with—in addition to what and where the things are going to be, they need to highlight who's going to do what in each of those plans; who's responsible for the delivery of what component. The ministry will then use our accountability mechanisms, like our service contracts and budget process, to make sure that what's said in those plans actually plays out on the ground. We're working in partnership with our other ministries around this because one of the other major differences about Best Start is that this is a strategy that brings together services that have not traditionally planned together—like education, social services and health—coming together under one. So we're having to work with our partner ministries around the accountability aspect as well.

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Ms. Horwath: That sounds very good. There are a couple of questions I have around that, though. In my mind, there's a difference between identifying through data and demographic data that these various realities exist in the demonstration communities, if you prefer that word—there's a difference between actually being able to write down, "Yes, we acknowledge these groups exist," and so therefore that's acknowledged and that's put in as an underlying reality of the community; it's quite a different thing to purposefully and in a concerted way ensure that those community's needs are being addressed. I raise it because I just fear that the same thing is going to happen that has happened so many other times, when you don't have all the voices around the table.

Honestly, I know that there are a lot of great people working right now in communities, and I certainly don't want to say that I don't respect them in great ways, because I do, and I know they're working very hard. But I also recognize that a lot of these pilot communities were based on existing networks and networks were added into the existing Early Years groups, about which, again—and I'm going to be really blunt about it—I've heard criticisms, from our community particularly, that they didn't reflect the community they were serving. And

so if you have a group of people planning, who will acknowledge in writing that there are demographic challenges but then don't have those voices at the table to really dialogue about how these issues are going to be addressed—then we say the accountability piece is making sure the parent voice is being brought up. But then the issue becomes, the parents who are usually most able, most willing, most literate, have the most time on their hands, are more, let's just say, socio-economically situated to be able to respond and have a voice, and are the very ones who again don't necessarily reflect the demographic that we would hope would be served in really important ways through Best Start.

I don't know if you're getting where I'm coming from in terms of these concerns, but I really feel that there's an important piece. I know the written guidelines exist, because we actually met, and I've got a copy of those. But I'm still not satisfied. I still need to be reassured that those very difficult things are actually going to be made into a reality.

Hon. Mrs. Chambers: I'd like Lynne to talk about how the pilots are engaging local communities and local stakeholders.

Ms. Livingstone: You'll know, if you've had a chance to go through our guidelines, that we're also quite explicit about the great number of partners that need to come around the local tables. It's an expectation. In order to make that happen and feel some assurance on our level, we've actually asked to see the terms of reference and network membership for each of the local Best Start networks so we can have some assurance that the folks that need to be around the table are. It looks different in each community. We haven't told communities how they have to do that; this is a community-driven model. What we've said is, "Show us how you're engaging those folks and how those partnerships are working." I know for a fact that in Hamilton they have a committee of over 50 stakeholders who are participating in that in an effort to be as inclusive as possible. Will they miss someone? I don't know, but certainly they're taking great pains to be as inclusive as possible.

One of the things that we're really wanting to understand through our demonstration communities is what the best vehicles are to engage the parents in a meaningful way—exactly to your point. We know that there are the traditional means of inviting parents to participate at forums, having focus groups, those kinds of things, but we also know that that doesn't always get to the direct parent voice. We're asking the demonstration communities to be innovative on that front: Go to where the parents are, show us the way on some of those strategies so the rest of the province can benefit from their experience on how they're going to do that. I know that each of the three communities is using a variety of different approaches to try and get that real parent voice. We're fortunate in Ontario that we now have other mechanisms to get the young parent voice, because we have Ontario early years centres and those kinds of places to go to where those parents are and hear what they have to say.

Ms. Horwath: How much time do I have, Mr. Chair?

The Vice-Chair: You have one minute left.

Ms. Horwath: OK. If I can just make a comment rather than a question in that last minute or so that I have, I think it's really incumbent upon the government, in terms of creating this new system, that we think not only of the parent voice, the real parent voice, but the diversity of parents' voices that need to be heard to ensure that this service is meeting all of the children's needs in the community. I think if we don't do that, we are not going to be successful in reaching our QUAD principles.

With that, Mr. Chairman, I'll just give you a quick flag on where I'm going to go next.

I just wanted to know whether you have any hard figures on the college of early childhood educators, when that's happening and whether you have some dollar figures on how much is going to be allocated to that effort.

The Vice-Chair: Very briefly, please.

Hon. Mrs. Chambers: We actually have a panel that's working on the college of early childhood educators file. There are consultations that are about to start this fall. There's a working group in place looking at this, and the objective is for them to recommend a conceptual model for us. We are expecting that we will have the benefit of those submissions over the next few months and that we will be able to start work very shortly after that on that submission.

The Vice-Chair: Thank you very much for that. Research has asked me to make sure that you provide the Best Start guidelines to the committee so that they can file it with the record here today.

With that, we change now to the government side. The Chair recognizes Mr. McNeely.

Mr. Phil McNeely (Ottawa-Orléans): Thank you, Chair, and thank you, Minister. I wish as well to add my words of congratulations to you. It's great to see a very caring minister in charge of child and youth services.

The first question I have would be a follow-up to the one on children's aid societies that John Milloy asked. I would also like to say that I would like a five-minute warning so that we can switch to Mr. Flynn for the last five minutes.

I read the report on the children's aid societies some 18 months ago. I happened to be back in my Ottawa office. But I got some appreciation of the challenges, the costs—\$40,000 per child almost—the deficits, the pressures that are there.

I met shortly afterwards with a family law lawyer from Orléans, and I asked her what the single most important step would be to keep kids out of the CAS. Right away she said, "Provide for more open adoption." As you know and as we know, what's happening in many cases with young single mothers is that they can't face the finality of giving up a child. She knew then that agreements were being made—I'm not saying that she was making up the agreements, and I'm not sure what the law was on it—that were providing then for more open adoption.

With Bill 210 coming through, this is, I think, the direction our government is going. I'm glad to see today in one of the documents, "Voluntary openness in adoption is already common in private adoption and with a growing number of children's aid society adoptions in Ontario."

That was the information we got from you this morning. What are not all CASs giving more children a chance by adopting a more open adoptions policy?

Hon. Mrs. Chambers: Thank you very much for that question. There is no question that we are going to be encouraging more of that. I mentioned yesterday that some children's aid societies just have not given adoption the focus that they need to give it. In reviewing budgets and transformation etc. of the child welfare system, what we are committed to is ensuring that the very best opportunities are provided for our kids. That permanence opportunity is very, very important.

This may sound kind of frivolous, but when I looked at the 22-month average for the length of stay for children in a foster home, I thought, this sounds like a cabinet shuffle type of time frame—and what it did to my summer, having to get up to speed on a brand new file. So can you imagine what sort of adjustment types of challenges our kids must go through when they're moved around? They start out being in that system because they need help to start with, and then some of what's happening with them is probably just not ideal for them. So we are determined, on Bill 210, to make adoption easier.

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But we have a particular focus, and our focus is the family setting: kinship, relatives and communities that these children will be more familiar with. We also respect the challenges that some birth parents may have in terms of their own personal challenges and personal issues, and we will respect those. But ultimately, as I said earlier on, in this ministry, it's children and youth that we care about and how we can support their families. So I'm looking forward to Bill 210's safe, secure and timely passage so that we can do more for kids more easily in the adoption area. But certainly, with the work that's going on right now in reviewing their budgets, my ministry officials are working on the kinds of outcomes that we are trying to encourage and how we can support those types of outcomes in terms of the measures of success that we define for our societies.

Mr. McNeely: Thank you. The second question is on mental health. One of the things that groups told me was that a lot of the mental health dollars were being spent in institutions rather than in the community. I think about 10 years ago there was a trend to go from 70% institutional to 30% institutional and have the rest in communities, and Ottawa has lagged behind the rest of the province in that. That's what the groups told me, and I think that this is true.

But I was very pleased to make announcements. I was the caucus member from Ottawa that made announcements in my riding for several initiatives. One of them is a centre for excellence for mental health at CHEO, which

is very important to us. It is a group, I think, that is looking to try to have the holistic approach to mental health care that we really need.

Parents have come to me as well—one in particular. She was a nurse and her husband was a doctor. Somehow they missed the signs with their child, and the first time they used the system was for an acute care bed at the children's hospital for a youth that had anorexia. So it's very important that we see the dollars getting out to communities, and I think that that's the case with our community as well. I just want to know, is this going to be a continuing trend with your ministry?

Hon. Mrs. Chambers: Yes. I think it's really important to recognize that our communities know what they need. CHEO, of course, is wonderful, and that's a long-term view on life. The research work is really important, and other hospitals, of course, like Sick Kids in Toronto, are working in partnership with CHEO, but CHEO is really the centre of excellence for youth mental health for Ontario. We are providing \$5.9 million for that program this year.

You talked about other community supports. In other words, before we would get to acute care, what can we do for our kids? I'm pleased to tell you that there are three exciting programs. You know about these, certainly, because I'm sure that you're familiar with these announcements that you mentioned.

Communities That Care works to address the risk factors for children and youth in the community by bringing community partners together to offer mentoring and work-school programs and extracurricular activities. It's funny; it sounds much like what Mr. Berardinetti and I are supporting and advocating for kids in Scarborough. So I'm really glad that this is happening in Ottawa at the Crossroads Children's Centre, which serves children up to the age of 12 and their families who are having challenges functioning in the home, school and community environments due to behavioural or emotional-type challenges. There is in-home intensive support involved in that program. Then there is St. Mary's Home, an early intervention program fostering healthy attachments between babies and their young teen parents. We support that program as well. This is all part of our investment of about \$462 million in mental health programs, including that increase that I talked about, the \$25-million going up to \$38-million increase for retention and recruitment of mental health workers, as well as the addition of about 113 new programs and the expansion of about 96 existing programs. So there's a lot of activity in the mental health circle, and I'm glad that Ottawa is enjoying some of that work.

The Chair: Thank you, Mr. McNeely.

I'd like to recognize Mr. Flynn now.

Mr. Kevin Daniel Flynn (Oakville): Thank you, Chair.

Let me extend my congratulations and those of my colleagues, Minister, on your appointment. You'll do a wonderful job.

You'll know I have a strong personal interest in the issue of autism. I realize that some questions have been

asked and, unfortunately, I wasn't here to hear some of the answers. So if I'm repeating some of the questions, please be patient.

The Autism Society in Halton is a very unique group of individuals that I've come to know, and they have been able to explain to me how it feels to deal with autism on a daily basis. They're a co-operative group; we've had some very good meetings with them—I have, certainly. They've raised things like IBI treatment, aging out, funding education in autism and behavioural science, for example. Special assistance grants for therapists is an issue they've raised with me. As a group, they go out every year and raise funds themselves for research. They're a very active chapter. It's a very challenging issue for all governments; I understand that. There seems to be an increasing identification of autism in our society these days, so it's an increasing problem that needs to be dealt with.

In the short time remaining for the government side, could you give me some sort of a summary as to what type of progress we've been able to make over the past year and what sort of progress you anticipate we'll be able to make in the upcoming year?

Hon. Mrs. Chambers: We are making progress, and we will continue to work hard at doing more, because there is a lot to be done. As you say, the numbers seem to be growing. But one thing I should mention to you is that one source of that growth, in terms of children waiting to be assessed and/or provided with therapy, can be attributed to the fact that we are not aging out kids. In response to a query yesterday, we brought in guidelines that have been distributed to all the regional service providers, telling them that their direction is to assess all kids in a consistent fashion to determine what kind of care they need on this continuum of services for autism spectrum disorder.

As a government we have invested an additional \$24.5 million in 2004-05 to expand services for children with autism. We have subsequently announced other additional dollars, including the very recent \$5-million announcement that I made reference to earlier on.

We are making progress. We are in fact providing therapy for 39% more children, as of June of this year, than we were doing in April 2004. Prior to removing the age factor, we had actually reduced the waiting list for assessment by 79% as of the end of June, and that was since April 2004.

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I spoke yesterday about what I consider to be really exciting work in terms of building capacity. This month we have started a new college-level program on autism and behavioural services that involves nine colleges all around Ontario. One of the things we have to remember is that these services are needed everywhere in the province. This was something I actually worked on with my predecessor, Minister Bountrogianni, while I was Minister of Training, Colleges and Universities, to establish this program in colleges around the province. There are about 100 students enrolled in this program now. It's a

two-semester program, so the first cohort will graduate in the spring of 2006. By 2008, we expect to have 200 students in that program: two semesters, full-time, part-time, on-line opportunities, two field placements, 12 courses. These individuals will qualify to apply for positions as instructor-therapists who work one on one with the kids who need this kind of care. Right now, we have about 537 instructor-therapists in the system. So just think, we're talking about in the spring, just from that source, probably a 15% increase in the number of instructor-therapists, and then doubling up on that cohort in subsequent years from graduates from that new program.

So we're doing a lot of things on a short-term basis, but we are also thinking longer term from the perspective of the need to build capacity. I encourage you to help me get the message out that we have distributed updated guidelines that say that age is not to be a factor in applying the guidelines that previously existed.

Mr. Flynn: So the old age of six simply does not exist any more?

Hon. Mrs. Chambers: We have sent out those guidelines to our regional service providers and there are copies here for this committee.

The Chair: I'm going to recognize Mr. O'Toole and then Ms. Horwath. Then at approximately 25 after, I'm going to ask the minister to do her wrap-up statement, if she so chooses, and then I'll walk through the estimates. If I have concurrence from the committee, I will proceed. Agreed? Mr. O'Toole.

Mr. O'Toole: Thank you very much, Minister. I've certainly enjoyed the candidness of these estimates discussions and the response to the questions that have been tabled.

I have two questions—basically one, and the related is the question I had asked and you had provided responses to, specifically on the CAS, the cost. It's my understanding that there are about 19,000 children or something in that—

Hon. Mrs. Chambers: In care?

Mr. O'Toole: Yes, and it's roughly around \$39,000 per child in the report that I've been given this morning. I gather that's what it costs, and that's interesting. Again, on top of that, is the aspect of the legal costs. That's actually part of the cost. Usually those costs, according to what you've put in your report here, reflect in the Ministry of the Attorney General under salary and benefits, and they're shown here as services, almost like a service provider, I gather. I am certain the \$64 million for legal services is basically dealing with more issues than just these 19,000 children in those cases, but those are large amounts of money.

The second question is—you'll see how they're related—deals with the point that Mr. McNeely raised, which is the open adoption process and the fact that—I'd probably support that. If there's a family member—you and I mentioned off the record yesterday a particular case that's in the media. It's not a good example; but certainly where a single mom has a child and would maybe be

comfortable that the parents took the child and maybe officially, legally adopt it. My point is this: Often it's economics, at the end of the day. If this family had the \$40,000, they could raise the child, or the individual could raise the child. Yet we'll pay some process to take the 22-months' respite. My question is, is there going to be any transfer of funds in the transitional way for the adoptive family?

Think of the case of parents. I'm a parent with five children. Most of them are married, and hopefully, they all stay together forever, but I'm not in charge of all that. I could end up with another family, and I know people in my riding very well who have become custodial parents. It's actually been generally a good experience. They generally tell me that they've been made to feel young again out of necessity, because they're chasing somebody down the soccer field, technically.

My point is that, with the legal costs, the 19,000 children for whom we're trying to find some stability in their lives, the \$40,000 per year, you're getting into the \$3 billion that you're talking about here. Is there going to be an opportunity—I would say on the record that I would probably support that—to provide, in the cases of adoption, support in transitions for those adoptions and that process, for someone to not just take on all the responsibility with no financial support, to be blunt? Why not give them some of that \$40,000?

Let's face it. I'll give you an example. When a parent is deceased, the children are entitled to a death benefit from the federal government. It's permanent; it's for life. I'm not sure—it's \$300 or \$400 a month per child, as long as they're in school. That's what I'm saying in this case here. You could assign a benefit to that child under a similar format, legal and all the rest of it, to help the grandparents or the other family member or, in fact, the single mom or single whoever, who really has passed all the tests of legitimacy and validity and blah, blah, blah. There are many successful single-parent families today who have the resources to manage. I could go on and on, so I'm just using the time here. The Early Years centres and the Best Start program, all those supports could be put in, bundled around this child to achieve the goal, which is permanent stability in their lives, as long as there are some supports there.

Hon. Mrs. Chambers: Let me take some of your time to address that issue.

Mr. O'Toole: Take Andrea's time.

Hon. Mrs. Chambers: OK. Thank you. I think it's really important sometimes for us to separate the money side of solutions from what we're actually trying to achieve. I think it's very important for us to determine what we're trying to achieve, and then to look at ways in which we can achieve those objectives.

One concern that I have is anything that would sound as though we're actually trying to commercialize adoption. That's not what we're trying to do. We're trying to find permanency for kids. We're trying to find stable environments for kids. Many of the kids we see in the child welfare system are not in the child welfare system

simply because their parents are poor; they're in the child welfare system for reasons of protection. In fact, some of them end up being society and crown wards through court directions. So I think we need to be really careful if we think that solutions are always just about money. I think that's potentially dangerous.

What we do talk about is making sure that where there is support required, we look at how we can help kin or family members provide that support. We do that to a certain extent right now, and we're looking at how we can do that more effectively. But I would not want it considered the appropriate solution that, because you're going to adopt a child, we're actually going to give you the money to look after the child, because there are a lot of birth parents who need help as well in keeping their kids. They're struggling. They're working at multiple jobs. They're making very significant sacrifices in order to do that.

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Mr. O'Toole: Minister, that's an extremely important observation. I guess that if you look at some of the dilemmas they're facing, a lot of it is a lack of access to resources in these individual cases where there's—

Hon. Mrs. Chambers: But their children don't necessarily need protection. They may not end up in the care of a children's aid society, because the issue is poverty; it's not protection. I think there are support systems for both those types of situations, and I would really be worried about confusing the two.

Mr. O'Toole: The way the federal system works, if the transfer payment, which is universal under the death benefit plan federally—the money is flowed, but it's actually clawed back through income tax rules. There's an economic threshold where if it's helping those in need, they get to keep the money. If there isn't any economic need—so it's not discriminatory; it's universal. That's what I'm saying.

There are tests for legitimacy, which I think the courts and others will decide on. Adoption for economic reasons: I completely concur with your point. But the economic argument doesn't stand the test because, through law, it can be clawed back as taxable income and that will work its way through the system.

I do think that we're committed in the other mindset to the \$40,000 a year for life for that child and needing other supports growing out of that situation, I suppose. I just—

Hon. Mrs. Chambers: Actually, it wouldn't be any amount of money for life, because children do not remain in the care of children's aid societies for life.

Mr. O'Toole: To eighteen.

Hon. Mrs. Chambers: Again, I want to emphasize a few principles. Principle number one is the care and safety of our kids. That's principle number one. Principle number two is that we will do whatever we can to remove barriers that stand in the way of permanent, stable solutions for our kids. I am going to look forward to your support in the smooth and quick passage of Bill 210 so

that we can do good work for our kids, because I know that's what you want us to do.

Mr. O'Toole: Exactly. Thank you. Do I have more time left?

The Chair: Do you really need it?

Mr. O'Toole: That's sort of a rhetorical question. It's about filling time here.

Hon. Mrs. Chambers: Mr. Chair, I may help him use up one more minute, if you don't mind? Mr. O'Toole had asked about direct service funding for autism, and I want to just remind you that the guidelines document, which is probably in your possession now, might be helpful to you in reviewing the options that are available to your constituents for direct funding and the process that they need to go through to get that.

Mr. O'Toole: I see that it's up to 43% now, so that's good.

Hon. Mrs. Chambers: There's good work happening.

Mr. O'Toole: Oh, yes.

The Chair: If I might just ask a quick question, Minister: The monies that were transferred from your ministry to the Ministry of Education for the autism support for teachers, is that a line item, still, in your budget? What is the amount of that in year two?

Hon. Mrs. Chambers: It's \$32 million.

The Chair: It has grown to \$32 million annually?

Hon. Mrs. Chambers: Yes.

The Chair: That is going to school boards—

Hon. Mrs. Chambers: The consultants in the schools.

Mr. O'Toole: It's a transfer of service.

Hon. Mrs. Chambers: We have 162 now, I think, and we are on target to get to 194 in the spring of next year.

The Chair: I would like to pursue that a little further, but I'm going to yield to Ms. Horwath, because the Chair shouldn't be asking questions.

Ms. Horwath: You had your chance, Mr. Chairman.

I actually wanted to ask a couple of questions around children's mental health, particularly around the model currently—again, my understanding is that this particular system is in a bit of a crisis and that there's work being done to address that. If I'm not mistaken, I think there is some expectation within the system that there are going to be some changes announced, hopefully fairly soon, in regard to systemic changes.

Currently—and I have to confess that I'm not intimately aware of all of the provision of service that occurs within children's mental health—but is it fair to say that there are private-sector and public-agency-type beds that are being provided to children with mental health concerns? If that's the case, do we have an understanding of the average per diem rate for the agency-funded-type beds versus the private beds?

Hon. Mrs. Chambers: I'm going to tell you what I know, and if there is more to be added, I'll ask a ministry official to come forward. The rates are actually determined by the ministry's regional offices, and they are determined on the basis of the system, the nature of the care, the average paid-for beds. We actually have a review that's currently on the way on residential services,

and we should have that report by the end of this calendar year. Certainly, it's fair to say that the rates are pretty standard but will vary based on the type of care. With that, I'm going to ask Trinela to come forward and give you a little bit more of the gory details.

Ms. Cane: Thank you very much for the question. The minister is absolutely right, as always, with respect to residential services. You asked a couple of questions, and perhaps I could clarify. We do have a mix in our residential sector of per diem operators and transfer payment agencies. A percentage, a majority, of the per diem operators is in fact for-profit operators as well.

I must say that, with respect to our client populations in children's mental health and child welfare, all of our service providers have performed very well for us and, I think, play a very important role in residential services. Given our service capacity and other issues, we have appreciated that.

With respect to per diem rates, they are negotiated, and with respect to services provided by transfer payment agencies, are negotiated with our regional offices.

As the minister points out, there are base rates paid, and probably averages in the range could be \$100 per day, up to \$500 a day for the most severe and complex cases. So on a case-by-case basis, the rates are different for the various service providers that are dependent on the client population being served, the needs of those clients being served, and any exceptional services that must also be provided.

Ms. Horwath: Thank you. I wonder if I could get a breakdown of the children's mental health budget, insofar as the residential care piece indicates the ratio that's the per diem versus agency transfer, and then, even within the per diem, the ratio that's private versus not private or agency-based.

Ms. Cane: We have that information and can make it available to you.

Ms. Horwath: That's very helpful. I appreciate that.

I'm curious about some of this information, because as we go through the process of transformation in this area, I'm really interested in watching if any of those pieces change in terms of the mix and all of those kinds of things.

Two other issues, if I can raise them: One is, I understand that there was some proxy pay equity-type of settlement a couple of years ago. Whether or not that's looking to be funded over time or whether that funding is dried up, where are things going with that piece?

Ms. Colette Kent: I'm Colette Kent. I'm acting ADM of the business planning and corporate services division.

As you know, we did sign a memorandum of understanding with five unions. We're just at the completion of the payment of that agreement. So it ends in December. We're currently working with our colleague ministries—the Ministry of Community and Social Services and the Ministry of Health—to look at the financial pressures on agencies, and we'll be looking at that as we work through our budgets for the next year.

Ms. Horwath: OK. So in the current estimates books that we have, the funding exists up until the end of this calendar year?

Ms. Kent: That's right.

Ms. Horwath: Has anything been built in to cover off January to March 31?

Ms. Kent: Not at this time.

Ms. Horwath: No? OK. Can I just ask, just in regard to—and this is not a pay equity issue—the overall transformation of the system and the movement away from the previous making-services-work-for-people kind of model and going into the overhaul, what's happening there, my understanding is that there's been quite a bit of consultation that's bringing us along that path. I'm wondering if there's any list of stakeholders that you would be able to provide that indicates who has been consulted in terms of the transformation of the system.

1220

Hon. Mrs. Chambers: We actually have three primary associations that we work with. I'm going to need help on this, because I'm starting to remember mnemonics and not remembering what they stand for. One is the Ontario Mental Health Association—

Ms. Cane: The Ontario Association of Residences Treating Youth.

Hon. Mrs. Chambers: And the third one—and I'm forgetting even the mnemonic now—they're also involved in the residential services review. Do you remember the third one?

Ms. Cane: We have Youth Justice Ontario and the Ontario Association of Children's Aid Societies.

Hon. Mrs. Chambers: That's it. It was the Ontario Association of Children's Aid Societies that I was trying to remember.

Ms. Horwath: Mostly at the corporate level, or are you getting any input from more or less the front-line service deliverers?

Hon. Mrs. Chambers: Do you want to respond to that, Trinela, please?

Ms. Cane: I'd be pleased to. We're actually doing a series of discussions across the province, some of which have already been initiated through the centre of excellence at CHEO that was mentioned previously. They have engaged, as part of their process, with our support, front-line service providers, researchers and experts in the field, which has been very helpful, and we'll use that information as we go forward on the discussions on the children's mental health policy framework. We'll also use the advisory committee at CHEO, which includes people like Judy Finlay, the child and youth advocate, and the group of parents and youth who have been affected with children's mental health issues will be part of that.

The consultation process that we're engaging in: We're helped by Children's Mental Health Ontario, our key partner, and we will be engaging parents and youth as well as front-line service providers and our umbrella organizations. So we're working on that.

Ms. Horwath: That's excellent. If I can just wrap up with two concerns that have come to light in my delving into this area: One is, apparently the situation exists in Ontario that there are no residential treatment facilities for young women with eating disorders, and in fact people are sent to the States or other jurisdictions to have treatment in that regard. I'm just flagging this as something that I would hope you would look at in the future, Minister. My understanding is that it's quite costly to send these young women to these facilities, and then, of course, you're pulling them away from their support networks and their communities. If I can ask you to look at that, I would really appreciate it.

The other piece that I've been alerted to—and it's probably because I actually come from a community that has a regional centre for mental health, which is in Hamilton—is that there are serious gaps in the availability of emergency mental health treatment for young people. I've heard some horror stories about a young person being turned away at emergency and being sent back to Niagara after a 45-minute ambulance ride, and that young person actually didn't make it, ended up taking their own life after not being able to get treatment. Again, this is not an accusation; this is a request that you really look into the availability, because when young people are brought into an emergency room, my understanding is that they compete, then, with adult mental health, particularly in large urban centres. An urban centre like Hamilton, for example, as a regional mental health centre as well—we have significant numbers of people with mental health issues in our community. The likelihood of our emergency department being full up in terms of its availability to take young people is high, so I would just be putting that on your plate, if you will, and seeing if there isn't anything in the hopper to address those two issues.

Hon. Mrs. Chambers: Thank you.

The Chair: Thank you, Minister, perhaps you'd like to sum up briefly.

Hon. Mrs. Chambers: Mr. Chair, before I do some summing up, I'd just like to finish the response to your question about the funding of the school consultants, and where that money goes. It does, in fact, go through the regional autism service providers to fund those consultants, as opposed to going to the school boards.

The Chair: Yes. Are there any other incidences in your estimates where you're transferring to another ministry?

Hon. Mrs. Chambers: Do we have transfers to other ministries anywhere else? I am told no.

The Chair: Not to your knowledge, OK. Thank you very much.

Hon. Mrs. Chambers: It's time to do some wrap-up. I was originally led to believe I had 20 minutes to do so; I am not going to use 20 minutes to do that. Let me simply say that this has been a very useful experience for me. I want to thank all of the committee members for sharing with me the insights that you have brought to the table. It's probably obvious to you that I am in learning mode

here, and I'm trying my best to get up to speed very quickly. I've actually found this discussion to be helpful, and will take much away from this discussion, to the benefit, I hope, of the work that we're doing in the Ministry of Children and Youth Services.

I was actually struck by much of what I heard that is so in line with where we think we need to take children and youth services. I'm really pleased that that work has begun. I'm also feeling that my ministry officials are fully committed to this transformation, and working in the direction that we feel we need to go in. As I've said before, we have many service providers:

—We have many stakeholders in mental health.

—We have emergency supports in 17 hospitals. Maybe that's not enough; I don't know, but it's certainly something we need to explore further.

—We have about 250 agencies involved in mental health service delivery.

—We have about 70% of our budget going to transfer payment service providers.

We have some challenges, as you can imagine, in coordinating how those service providers interact with our children, youth and their families. It's really important for us to work toward this integration and this transformation of the system, so that a child or a family that needs care doesn't end up having to knock at several doors because they feel that's how they have to function in order to get attention.

We also need to make sure that our child welfare system is not simply a funnel to our youth justice system, or our special needs programs are not simply a series of waiting experiences or multiple assessment type of experiences. We know there is work to be done in this area, and what we are doing is basically reflecting the Premier's and our government's priority on children and youth services, demonstrated by the fact that this ministry was created two years ago for this purpose.

The challenges are great. There is a lot of need, a lot of demand for service out there. There are opportunities for our stakeholders to probably work together more effectively as a system, as opposed to just several service providers. There may be some resistance, perhaps, when we say to individual service providers, "Well, you know what? It's not good enough that you do what you do on your own. You are going to have to work in a more integrated fashion with others who are providing complementary services," if you like. But I do sense among the stakeholders that I have been meeting with and getting to know that there is in fact a commitment to our children and young people and their families.

So I consider it a very serious challenge, an undertaking and opportunity that I do not take lightly by any means, to do the work that needs to be done in this ministry. I know it's far more emotionally charged than my previous portfolio was. I was really pleased with the work I did in that portfolio, but I have to tell you that, I think it was the first weekend after I got this portfolio, I was in a department store and there was a mother and her autistic child shopping very close to where I was, and my

heart started pounding. I thought, as much as I loved college and university students, they were never able to do that to me. Right away, I knew I was going to be in a different kind of ministry. It's certainly something that I am passionate about, and I'm going to do the very, very best I can. I feel well supported by the staff in my minister's office and in my ministry in the work that we have to do. It's going to take time and it's going to take resources, time which I know means a lot to families. Something that might take us a year to develop is a lifetime to families who are waiting for care. I can simply commit to doing the very, very best we can on this file, because this is what we need to do for our children and youth and the families that we are here to care for.

I appreciate all of your comments. I look forward to ongoing discussions with you. I was really pleased to find that there is so much that we have in common in terms of our interests in serving this population. So thank you very much.

The Chair: Thank you very much, Minister, and to you, Deputy, and all of your staff who have been here throughout these estimates. I won't restate the comments I made earlier about how much this committee appreciates the forthright manner in which you have presented information for us, but it's very much appreciated.

I will now ask the committee to vote on the estimates for the Ministry of Children and Youth Services.

Shall vote 3701 carry? All those in favour? Opposed, if any? Carried.

Shall vote 3702 carry? All those in favour? Opposed, if any? That is carried.

Shall vote 3703 carry? All those in favour? Opposed, if any? It is carried.

Shall the estimates of the Ministry of Children and Youth Services carry? All those in favour? Opposed, if any? That is carried.

Shall I report the estimates of the Ministry of Children and Youth Services to the House? All those in favour? Opposed, if any? That is carried.

Thank you, Minister.

We now have a small matter I will share with the committee members. We had a prior arrangement with Minister Ramsay to begin at 2 o'clock. His plane has been delayed in Sault Ste. Marie. So we are going to adjourn until 2 o'clock. It will give me the next hour and a half to sort out how we can proceed. But we will recess now, to reconvene at 2 o'clock this afternoon.

The committee recessed from 1234 to 1405.

MINISTRY OF NATURAL RESOURCES

The Chair: Good afternoon. I'd like to welcome everyone. We've reconvened to commence the estimates of the Ministry of Natural Resources. I have a couple of quick announcements to make. Members should be aware that Minister Ramsay, the Minister of Natural Resources, was in northern Ontario earlier today to make an announcement. By prior agreement, his plan was to be here to participate in the estimates at 2 o'clock. Unfor-

tunately, his airplane sustained some damage and was forced to land. The minister and his crew are safe and there are no problems there, but he will be unable to attend this afternoon. I have spoken with all three party whips and with the minister, and we have agreed, albeit it's a bit unusual and, for the record, will not be precedent-setting, to an accommodation to assist a minister, two critics and a government without disrupting the work of this committee.

With the indulgence and unanimous support of the committee, we will call upon Deputy Minister Gail Beggs to read into the record the opening statement for the ministry—that is fully compliant with our House rules. Norm Miller will be allocated an hour and a half for questions and/or the customary one half-hour opening statement; it will be his time to use as he chooses. On Monday when we reconvene at 9 o'clock, we will lead off with Mr. Bisson, who will have his half-hour on behalf of the third party, and Minister Ramsay will begin at 9:30 with his allocated half-hour of rebuttal and response. Then we will begin a rotation that will adjust and acknowledge the amount of time Mr. Miller has taken, because he has an important engagement in northern Ontario that he has committed to for some time. We will conclude by 4 o'clock on Monday and complete the estimates of natural resources so that we can begin a new ministry on Tuesday.

I'm hopeful there are no questions, but a quick, brief comment would be fine.

Mr. Gilles Bisson (Timmins—James Bay): Just quickly, we're going to do this to accommodate our good friend Mr. Ramsay, given the circumstances. These things happen. I just want to say, if I had been flying the plane—it would have been my Lark—it would never have happened. And it if had been in Norm's plane, it would never have happened to him. We're the two pilots here.

The Chair: The main thing is that Minister Ramsay is safe, and he appreciates the committee's accommodating his inability to be here today.

If there is no objection, I will take that as unanimous direction.

I would now like to introduce Gail Beggs and welcome her and her staff to estimates. We are now in your hands for up to half an hour.

1410

Ms. Gail Beggs: Thank you, Mr. Chair. I'm here today, as the Chair has told you, on behalf of the Honourable David Ramsay, who regrettably is unavoidably detained. I've also been joined here today by Assistant Deputy Minister David de Launay; on my far right, Assistant Deputy Minister George Ross; beside me, Bill Kissick, newly appointed director of the industry competitiveness secretariat; and behind me, Kevin Wilson, assistant deputy minister of the natural resources management division.

Mr. Chair and members of the standing committee, it is my pleasure to present the budget estimates of the

Ministry of Natural Resources for the fiscal year 2005-06 on behalf of Minister Ramsay.

On Sunday, Ontarians will mark the second anniversary of the McGuinty government's election. I welcome the opportunity this morning to provide an overview of the Ministry of Natural Resources' achievements during that time and our goals for this fiscal year and beyond.

When the McGuinty government came into office on October 2, 2003, it brought a clear vision and a set of goals aimed at ensuring that all Ontarians, now and in the future, enjoy the benefits to be derived from the sustainable use of our province's natural resources. Among the key goals set for my ministry were to:

- seek greater stability and certainty for Ontario's forest industry and the communities that depend on that industry;

- expand new sources of clean, safe, reliable energy by developing provincial water power and wind power potential and other alternative sources;

- ensure a safe, reliable water supply for all Ontarians by increasing protection for source water;

- increase conservation of Ontario's rich and abundant biodiversity and strengthen protection for our parks and natural areas;

- maintain and enhance hunting and fishing opportunities in the province;

- reduce loss of precious green space and viable farmland in southern Ontario;

- and put the necessary tools for sustainable economic development in the hands of northern and aboriginal communities, bringing much-needed change to the north and ensuring a brighter future for our young people.

I am proud of what we have achieved in two years. I would like to list some of these achievements for you, which I will describe more fully during my presentation.

We have taken aggressive action on a number of fronts to support a stronger, more competitive forestry industry and a more prosperous future for the northern and rural communities that depend on it. This includes working to ensure that Ontario forest products get preference in export markets by requiring mandatory forest certification for all sustainable forest licence holders by the end of 2007. Ontario is the first jurisdiction in the world to make independent third-party verification a mandatory requirement.

We have made significant advances in developing the province's alternative energy potential, including wind power, water power and cogeneration.

We are working with the Ministry of the Environment and partners to assist municipalities and conservation authorities to prepare source water protection plans that are essential to a safe, reliable water supply.

As a signatory to the Great Lakes Charter Annex, we have been vigilant in defending Ontario's interests in the Great Lakes waters and we will continue to do so.

We have increased the number of hunting and fishing opportunities in the province.

We have taken steps to strengthen protection for parks and natural areas through a review of the Provincial Parks Act. We have also expanded partnerships to conserve natural spaces and have created a voluntary program to make it easier for southern Ontario landowners to protect and restore natural areas on private property.

We have produced the first-ever biodiversity strategy for Ontario, which will help us restore and protect our rich natural heritage, ensure long-term protection for rare and endangered species and conserve healthy habitats for our fish and wildlife populations.

We are winning the fight against the spread of raccoon rabies and are continuing to lead the world in rabies prevention and control in the wild.

We have strengthened protection for endangered species, including a new strategy to protect the province's wolf population.

These are challenging times for resource managers in this province; some might say interesting times. Ever-increasing pressures are being placed on our forests, our waters, our green space and natural areas. Many of those pressures are coming from outside our jurisdiction.

Today I will outline for you how this government and my ministry are dealing with those pressures. I will talk about where we are focusing our efforts and what we are doing to ensure that our natural resources are managed sustainably and in the best interests of the citizens of Ontario.

I'm going to begin with forest resources, one of our province's greatest natural assets and the lifeblood of many northern communities. Close to 30% of the overall employment in the north depends on the forest sector. As the second-largest manufacturing industry in Ontario, forestry is a major economic engine for the entire province. It is also an industry facing unprecedented competitive and economic pressures and challenges.

Securing a stable and viable future for Ontario's forestry industry is a priority for the McGuinty government and for my ministry. We know that a strong future for this industry is essential to the long-term economic and social fabric of northern Ontario, and to the prosperity and well-being of our province as a whole.

The current situation calls for decisive and aggressive action. This morning in Thunder Bay, I announced a major government package that will stimulate economic diversification in the north, address the losses that are occurring due to forest industry rationalization, and trigger new growth and prosperity for the industry.

To fully appreciate the scope and intent of this package, I would like to briefly provide some context before I talk about the details. As I stated, Ontario's forest industry is facing unprecedented pressures. These include changing global markets, increasing competition, escalating costs, a trend toward fewer but bigger mills, and a dramatic shift in currency rates.

We know that the forest industry will continue to face a growing set of challenges for the following reasons:

- Globalization has meant that the growth markets for forest products are shifting out of North America to

southeast Asia and Latin America. New low-cost, high-technology, large-scale competitors are emerging offshore.

—Our traditional comparative advantage in abundant, low-cost wood supply has vanished.

—Ontario is undergoing a transformation in energy and, in particular, electricity markets.

—There has been a 30% appreciation in the Canadian dollar in the last two years.

—Our forest management plans are indicating that wood supplies of conifer and aspen in the north are forecast to decline over the next 20 to 30 years. This is largely due to the current maturing age structure of the forest.

—We are now entering into another year of crippling duties on our softwood lumber exports to the US, with no end to this dispute in sight. These duties have drained half a billion dollars of the Ontario industry's cash—money that would be better used addressing all of these other challenges.

Together, these events have set the stage for the major restructuring and shifts taking place in Ontario's forest industry today. We're seeing mill closures and downsizing, loss of jobs, community instability and reduced government revenues.

Last November, I formed a Minister's Council on Forest Sector Competitiveness to review this situation and the serious impact it is having on communities across the north. The council represented all interests that have a key stake in the future of the forest industry: workers, communities, companies, First Nations, environmentalists and others. The council's report, which I released in June, contained a number of sound recommendations to address issues facing the industry. I am regarding that report as a blueprint for action. It will be our guide for making the fundamental and long-term changes necessary to get the industry and the northern economy repositioned and on the road to a strong and stable future. I am encouraged by the council's conclusion that the forest products industry in Ontario has very real prospects for growth, diversification and prosperity.

1420

The council also stated that Ontario has the capacity to respond to the domestic issues with appropriate public policy and swift action.

The comprehensive package I announced earlier today supports action that government, industry and northern communities can take together. I announced that this government is committing more than \$330 million in new initiatives over the next five years, in addition to the \$350-million loan guarantee program announced in June. This is how it breaks down:

—The forest sector prosperity fund will distribute \$150 million over three years. The fund will be used to help leverage new capital investments in a number of priority areas for the industry.

—We are investing \$28 million annually to help industry maintain eligible public forest access roads. Located on public land and in public ownership, these

important roads provide benefits to mining companies, tourism operators, First Nations, utilities, hunters and anglers, and others.

—We will be enhancing the province's forest resource inventory through an investment of \$10 million annually by 2007-08 for a more current and accurate database. Since its inception in 1946, the inventory has been the basis for major forest resource planning and policy decisions. An improved inventory will support better forest management decisions.

—We will be setting up an Ontario wood promotion program to enhance value-added manufacturing in the industry. This program will be funded through an investment of \$1 million annually, beginning in 2006-07.

Today's announcement builds on the initial steps I announced in June, which included:

—\$350 million in loan guarantees to stimulate new investment;

—the creation of a process to move to multi-party shareholder sustainable forest licences;

—streamlining approvals for forestry activities, and

—recognizing a panel of council members to follow up on the progress being made.

I'm glad to report that applications for the loan guarantee program will be available on the ministry's Web site in mid-October. Providing access to loan guarantees will:

—stimulate forest products sector investment on capital projects that would improve the forest sector's competitive advantage;

—encourage private sector participation in infrastructure financing by reducing credit risks; and

—enhance financial viability of projects through access to a less expensive financial package without exposing private financial institutions to excessive credit risks.

The loan guarantee program will also provide the forest industry with incentives for increased investment in energy efficiency and co-generation. I have asked my colleague the Minister of Energy, Dwight Duncan, to work with the industry to promote renewable energy and co-generation.

Based on the council's recommendations and the input of stakeholders who took part in the process, we have developed a new vision for Ontario's forest sector. The new vision is of a strong, regionally based forest industry in Ontario, composed of fewer, larger, more efficient and competitive commodity-based facilities, together with smaller, more diverse and specialized value-added businesses.

My ministry will not be alone in working to achieve this new vision for the province's forestry sector. This is a far-reaching initiative and requires the participation of a number of ministries that directly influence the industry's competitive environment. Those ministries include Natural Resources, Finance, Energy, Transportation, Environment, and the Ontario Secretariat for Aboriginal Affairs.

The government must also respond to community and worker impacts associated with restructuring. Ministries

involved in that aspect are Northern Development and Mines, Economic Development and Trade, and Training, Colleges and Universities.

A cross-ministry assistant deputy minister steering committee will guide the government-wide efforts to implement the broad transformational process required.

Within my ministry, we are also making changes to the organization that will help us develop and implement the new forest vision in a timely and effective manner. A forest sector competitiveness secretariat has been established that will report to the assistant deputy minister of the forests division. The industry transition unit will address the implications and requirements stemming from restructuring and consolidation. The industry competitiveness unit will focus on emerging needs of industry in specific areas, including energy, transportation, finance and environmental aspects of the sector's business. The secretariat is divided into these two units. The secretariat will also take the lead in reviewing proposals for financial assistance to the forest sector from the loan guarantee program.

With every one of the initiatives I have described today, I am confident we are taking the right steps to address the long-term needs of Ontario's forestry sector, and we are on the right road to providing a more prosperous, more secure future for the communities that depend on this industry.

In June, I announced phase 1 of our financial support for the industry. This morning I announced phase 2. Phase 3 is now up to the federal government to provide tangible financial support for the forest industry. We are waiting for the federal government to provide an incentive package as promised by the Prime Minister earlier this year in Kenora at the Northwestern Ontario Municipal Association's annual general meeting.

As I have identified, the cost of energy is one of the major issues facing the forest industry. Energy cost is in fact an issue for everyone in Ontario, in Canada and in North America. Collectively, we are all having to rethink our North American attitudes toward where our energy comes from and how we use it. This is more than an issue of cost. The decisions we make around energy production and use have serious environmental implications.

The McGuinty government remains firm in its commitment to phase out coal-fired electricity plants and develop clean, renewable energy sources. We aim to expand Ontario's supply of clean renewable energy and generate 5% of the province's total energy capacity from renewable sources by 2007.

We are fortunate in Ontario. We've got enormous undeveloped waterpower resources, as well as wind power, biomass and cogeneration potential. Together, these alternative energy sources have the potential to provide significant amounts of sustainable, reliable and clean energy for our homes and businesses, and they represent significant economic development potential for northern Ontario communities.

Last November, the government took a significant step forward in expanding Ontario's energy sources by releas-

ing a new provincial policy for waterpower development. The new policy enables energy stakeholders and First Nations communities to bid on new waterpower development and investment opportunities on crown land through a competitive marketplace. My ministry oversees the release of sites and makes sure that all proposals are technically feasible, financially secure, provide long-term benefits and are sensitive to the environment. We're also working with the Ministry of Energy to ensure that proposed developments can be received into the energy market.

We are making good progress with this initiative. I recently announced the first applicant from the ministry's competitive site release process to be awarded the opportunity to pursue the required approvals to construct and operate a waterpower facility on the Kapuskasing River. The successful company will work with the ministry, the public and First Nations communities in the area to create a plan for sustainable development of waterpower sites on the river.

As well as providing a boost for the local economy and First Nations communities, this one project alone has the potential to generate 20 megawatts—enough power to supply up to 5,000 homes with electricity. I will be announcing successful applicants for similar projects very soon.

1430

Encouraging First Nations communities to participate in waterpower development will lead to important social and economic benefits for those communities. The new policy also allows far north aboriginal communities to use water power for self-supply, enabling communities that currently rely for diesel fuel for power to switch to a cleaner, healthier source.

In the next few years, we are also going to see a huge increase in wind power generation in Ontario. Wind energy is the fastest-growing form of energy in the world, and I have every confidence that wind power will eventually make a major contribution to our clean, green energy goals.

My ministry has responsibility for releasing wind power opportunities and reviewing proposals to test and develop wind power on crown lands. In January of this year, we approved applications to test wind power at 21 specific crown land sites over the next two to three years. Most sites are located along the Great Lakes shoreline.

The ministry has also developed a number of tools to make it easier for people to get reliable information on locating wind energy sites and developing wind power opportunities. These include an online wind energy map that allows users to view any area of the province to obtain wind speeds for specific locations.

In co-operation with the Ministry of Energy, the Ministry of Agriculture, Food and Rural Affairs, and the Ministry of Northern Development and Mines, my ministry is investigating and promoting a variety of cogeneration and new bio-energy opportunities. The development of alternative energies, such as converting

forest waste to bio-oil, will have many benefits for northern Ontario.

We have a sustainable supply of unused forest waste, or biomass, readily available in Ontario's forests. Unused forest biomass includes tree tops, limbs and slash left after logging operations; trees that are destroyed by fire, insects and disease; and tree species that can't currently be sold. Until recently, the use of forest slash for energy purposes has been uneconomical due to collection, transportation and handling obstacles. New technology now allows the slash to be converted to bio-oil at the harvest site or near to it.

In August, I announced a \$770,000 investment in new technology for the construction of a transportable, self-contained plant that would convert forest biomass into bio-oil in remote forest areas of northern Ontario. This plant is part of a three-year pilot project to test the technical and operational reliability and suitability of a bio-refinery business.

Through all of these alternative energy initiatives—water power, wind power and cogeneration—we are putting in place the tools and incentives needed to help us achieve our energy goals and to make Ontario a North American leader in clean, green energy production.

As I stated at the outset, one of the goals is to put the necessary tools for sustainable economic development in the hands of northern and aboriginal communities, bringing much-needed change to the north and ensuring a brighter future for our young people. Our young northerners deserve to have the option to stay in the north and build a good life there. Creating long-term sustainable jobs is key to providing them with that choice. With resource industries and other levels of government, we are working with northern and First Nation communities toward that goal in a number of ways.

I've already talked about the local economic benefits that would be realized by expanding our capacity to produce clean, renewable energy in the north. The forest futures package has a major economic development component aimed at providing long-term benefits and jobs to northern communities. We've taken steps to improve and increase fishing and hunting opportunities, and to strengthen protection for our parks and protected areas. These efforts will, in turn, increase support for our northern tourism industry and enhance our reputation as a world-class outdoor recreation destination.

Through the northern boreal initiative, we are helping several First Nations in the far north carry out land use planning and identify forestry-based economic opportunities. This initiative aims to create forest employment and give far north First Nations communities a leadership role in sustainable forest management.

As a northerner myself, I am proud of the government's continued commitment to the people, communities and economy of northern Ontario.

The McGuinty government has clearly demonstrated that strong protection for provincial watersheds and conservation of water are key priorities. We recently proposed tough new rules for water takings in Ontario and

brought in stronger measures to protect natural ecosystems.

Of course, the water in our Great Lakes is a shared resource with neighbouring states south of the border. Since 2001, Ontario has been working with the province of Quebec and with the eight Great Lakes states to reach consensus on a set of draft agreements for greater protection of the lakes and their basins. These are known as the Great Lakes Charter Annex implementing agreements.

The 10 jurisdictions released first drafts of the agreements in July 2004 for public review. After listening to the public response, input from Ontario's First Nations, and the advice of its advisory panel, Ontario said no to the first drafts. We went back to the negotiating table, seeking stronger agreements for no diversions and better conservation measures. As minister, I would not accept anything less than a virtual ban on diversions of Great Lakes basin water, with very limited exceptions.

Thanks to the hard work and commitment of ministry staff representing Ontario's interests at the table, we were successful in having the draft agreements revised accordingly before going forward for the next round of public review. Those revised draft agreements providing stronger protection for Great Lakes basin waters were released at the end of June for a 60-day public consultation process. The revised draft agreements are not final and do not yet represent a consensus—one state declined to sign—but the agreements are now much stronger as a result of our efforts, and we believe they are worth pursuing.

Now that the public comment period has ended, the 10 jurisdictions have returned to the negotiating table to consider the public input from across the basin and to strive for consensus on final agreements. We remain optimistic that a consensus can be reached. Whatever happens, we will continue to be vigilant, firm and vocal in protecting Ontario's interests in the Great Lake waters.

We live in a province that is home to an abundant variety of plants, animals, birds, fish and insects, as well as the forests, wetlands, lakes and rivers they inhabit. This broad network of biological species and systems—our biodiversity—enriches our lives and provides us with clean water and air, as well as sources of food, wood, medicines and energy.

Conserving Ontario's biodiversity is essential to achieving a healthy environment, strong communities and a thriving economy. Through Ontario's first biodiversity strategy, unveiled last June, the McGuinty government is providing stronger protection for Ontario's rich natural heritage and a healthier future for Ontarians. The strategy contains 37 actions that the ministry and our partners will focus on over the next five years.

The new natural spaces program we announced in August fulfils one of the actions identified in the biodiversity strategy. This innovative and voluntary program will make it easier for landowners to protect important natural areas on private property, and is responding to a real need to protect and restore precious green space in southern Ontario. The importance of the natural spaces

program is put into perspective when you consider that Ontario's population is expected to grow by more than four million people by 2031, primarily in the greater Golden Horseshoe area.

We all share a responsibility to future generations to act now to ensure they will have the benefits of a healthy natural environment, clean air and water, and opportunities to enjoy nature close to home. The Natural Spaces program supports but does not duplicate other measures this government has taken to maintain a healthier natural environment in southern Ontario. Those efforts include the Greenbelt Act, source water protection plans, protected area designations, conservation easements, private land tax incentive and stewardship programs, and more. Every effort we make to reduce loss of green space in southern Ontario will improve our air and water quality, protect important natural features and wildlife habitat, provide more places for outdoor recreation such as fishing, hunting and hiking, and sustain our wealth of biodiversity.

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I can see from the clock that I must shortly conclude these opening remarks. I would like to note that the sheer scope of the ministry's mandate makes it impossible for me to provide you with an adequate overview in the allotted 30 minutes. I have touched on our priorities and highlighted some achievements, but I have not been able to give you a complete picture of our accomplishments over the past two years, or the work underway right now. I would hope that during the next several hours we can discuss some of the many other areas in which my ministry is making a positive difference in the lives of Ontarians.

Before I finish, I also want to note that Ontario just went through the busiest fire season since 1995. I would like to take this opportunity to give a nod to our fire and aviation staff. Since becoming minister, I have had opportunities to visit a number of fire lines and see first-hand what these brave men and women endure day after day: the smoke, the fatigue, the relentless heat. I have also seen first-hand their commitment to protect our northern communities and forest resources from fire.

To get an idea of just how busy the season was this year, by mid-September, Ontario had incurred 25% of all wildfires reported across Canada up to that point, and to get an idea of how effective our teams are, those fires accounted for less than 2.5% of the total area across the country lost to fire. That's quite a success story. It clearly demonstrates the value of the ministry's initial attack strategy and the dedication and professionalism of our firefighters. I have to say it's the kind of commitment to the job that I have consistently found throughout the ministry. It's been a pleasure to work with such a dedicated organization.

I am proud of the results we have achieved together over the past 24 months, while meeting the challenges of a tight budget. I look forward to working with Deputy Beggs and ministry staff to build on those results.

Our ministry budget this year is \$492 million for operating expenditures and \$54 million for capital expenditures. You will see that we have made every effort in our estimates to balance this funding across all of our priority areas. We will move forward with our commitments and maintain our core programs for the optimum benefit of the resources and the taxpayers.

In the year ahead, we will continue to take aggressive action to support a viable and environmentally sustainable forestry industry. We will remain diligent in our commitment to achieve a strong agreement for protecting the Great Lakes. We will expand our efforts to restore and protect natural spaces in southern Ontario. We will introduce legislation aimed at strengthening the laws that protect Ontario's provincial parks and other significant natural areas. In short, we will keep working to ensure that sustainable management of all of Ontario's natural resources brings lasting benefits to our environment, our health, our economy—our quality of life—for Ontarians today and for generations to come.

That concludes my formal remarks. I will now be happy to answer your questions.

The Chair: Thank you very much, Deputy. We will recognize Mr. Miller.

Mr. Norm Miller (Parry Sound-Muskoka): Thank you, Deputy Minister, for reading the minister's statement, and to the assistant deputy ministers sitting in today. I'm certainly disappointed that the minister is not here, although he's got a good excuse—that the windshield blew out in the airplane. I assume that was the government's King Air on the way here. I can speak from personal experience and say that I believe him, because it happened to me as well, when I was parliamentary assistant to the Minister of Northern Development and Mines, coming back from a FNOM—Federation of Northern Ontario Municipalities—meeting, very much on a day like today, a nice windy day. So I think they need to have a look at that airplane to get that problem figured out, because it is a little bit unnerving when you hear a loud bang and watch the windshield become many small pieces that you can't see through afterwards. I certainly understand why the minister is unable to join us after making the forestry announcement this morning in Thunder Bay.

Certainly, forestry is an area that I would like to focus on to begin with. Forestry is the number one industry in northern Ontario. It's \$18 billion: \$9 billion in exports; 200,000 jobs, direct and direct. I think it's safe to say also that the industry is in crisis right now, certainly from the conversations I've had with mill managers. From what you see going on, it is definitely in crisis.

This morning, the minister made an announcement of some further enhancements for the sector, and you've highlighted some of those, that it's investing \$150 million over the next three years through a forest sector prosperity fund to leverage new capital investments in a variety of areas: \$28 million annually to maintain primary forest access roads, \$10 million to enhance the forest resource inventory, and \$1 million in an Ontario wood promotion program. Those are the key elements of

it. He had already responded earlier in the year to the Council on Forest Sector Competitiveness, back in June, with a \$350-million loan guarantee.

I'd just like to reflect for a moment on conversations I've had with some mill managers in getting ready for today. Yesterday, I was talking to a mill manager in northeastern Ontario about what he expected and what would benefit them and get them out of their current crisis. He pointed out to me that currently in Ontario, the landed wood costs—I think "delivered wood costs" is another term—they've seen are about \$50 and \$55 per cubic metre in Ontario, compared to a world average of about \$30 per cubic metre. That happens to be the highest cost in the world. That includes all costs, including getting the fibre out of the bush, building roads, reforestation etc. I'm happy to see the small step that was announced here, the \$28 million toward primary roads, although I will ask you in a while to tell me how you define a primary road.

But for a mill operator, what has not been addressed, and what the mill manager I was speaking with yesterday said was going to be what mattered for him in knowing whether this announcement was going to make their industry sustainable or not, are electricity costs. He pointed out to me that in September, the industry was paying \$70 a megawatt hour in northern Ontario—and he pointed out how large industry in northern Ontario pays more for electricity than in southern Ontario—compared to \$30 a megawatt hour in Manitoba and \$40 a megawatt hour in Quebec. We're the highest-priced jurisdiction in North America. Particularly for paper and for pulp mills, that is a huge part of their costs. For this mill manager, it basically came down to the fact that unless there was immediate action on the cost per megawatt hour, mills will close in northern Ontario, and that's what he bluntly told me yesterday. I can't help but point out that this issue was not addressed in the announcement today.

As the mill manager pointed out to me, recent closures we've seen in the last while—Abitibi, in Kenora, on October 22 permanently shut down one paper machine and idled another. That's 355 people out of work. Norampac, in Red Rock—in the spring, I did a six-day northern tour, and I met with Lorne Morrow at Norampac. At that point, he made it very clear how large a part of their business energy costs are—about a third of the cost of the containerboard that they produce there. So they're shutting down a machine; 175 jobs are being lost. Bowater in Thunder Bay has one machine shut down. Tembec in Kapuskasing has one machine shut down; that's 65 jobs. Pulp mills are hanging on the edge in Marathon and Smooth Rock Falls. Cascades in Thunder Bay has one paper machine shut down. They shut it down about a month ago.

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So the bottom line is that the key issue, certainly for paper and pulp mills, was not addressed, and it's very clear that the industry is in crisis. It's very clear that it's the number one industry in northern Ontario and, I think

it's safe to say, number two or three in the province, depending on whether or not you're talking to farmers.

This mill manager pointed out that if he had his mill, which uses about 100 megawatts on an average basis, located in Manitoba, he would save \$30 million a year on his energy bill. So his reaction when I again spoke to him this morning after the announcement—"Were you satisfied with the announcement that was made?"—was basically that it was an extraordinarily small step forward and that the prosperity fund, even though it sounds like a lot, \$150 million over three years, is a drop in the bucket; a positive step but just a very small step. The industry, especially the pulp and paper industry, is in crisis, and mills will close down and communities will suffer unless the costs of electricity are addressed.

So I guess my first question would be, why have you not addressed the most significant cost factor for the paper and the pulp and paper industry?

Ms. Beggs: I'll do my best to address your question. Today in Thunder Bay, when the minister made the announcement of our new forest sector strategy, it was indeed an acknowledgement of the tremendous transformation that is needed in the Ontario forest products industry. Indeed, this is a transformation that is going on across North America. If the minister were here today, I believe he would say to you that our delivered wood cost of \$55 a cubic metre, while acknowledging it is very high, is in the same ballpark with delivered mill costs across eastern North America.

The issue of energy has been addressed in part by the announcement made in Thunder Bay today. The forest sector prosperity fund—the \$150 million over three years—is directed to assisting the industry in capital investments that will transition it to increase value added, improve fibre efficiency and, most importantly, improve management around energy. So it will explicitly address investments made by mills in projects such as cogeneration, demand management and energy conservation.

Indeed, even before the announcement, the ministry, along with colleagues in the Ministry of Energy, the Ministry of Finance, the Ministry of Northern Development and Mines and the Ministry of Economic Development and Trade, has been working very closely with a number of forest product members and mills in Ontario. Two of those were mills you spoke about as mills that are experiencing difficulty: Abitibi in Kenora and Bowater in Thunder Bay.

With the announcement today, I think that mill managers, like the mill manager you spoke to, will have the opportunity to approach the government and speak directly about the energy issues and work with government on investments that can be supported through the forest sector prosperity fund and address the issues of energy that his mill is facing.

I would acknowledge that energy prices in Manitoba and Quebec are lower; that is a fact. But I would also like to point out that the experience of mill closures is going on in eastern Canada in provinces that have lower energy prices than Ontario. So the forest products industry as a whole is going through transition, and I think we have all

heard announcements of mill shutdowns in Newfoundland, New Brunswick and Quebec. Each of those jurisdictions, I believe, has power prices that are lower than Ontario's.

Our point here is really that the transition that industry is facing is due largely to a number of factors. In Ontario, yes, energy may be one of them, but more importantly, there is restructuring going on globally, new fibre being brought on in southeast Asia and demand for newsprint falling. In Canada we're faced with a very high Canadian dollar. While that's good for some parts of the economy, it makes it very tough when you're exporting.

I'm going to ask Mr. Kissick if he has anything to add. He's more of a technical expert in this area than I am.

Mr. Bill Kissick: Mr. Miller, to the deputy's comments, the announcement today with respect to roads, based on our analysis and information that the industry gave us, reduces industry's road maintenance costs by 75%.

Mr. Miller: By 75%?

Mr. Kissick: Their cost of maintaining roads by 75%.

Mr. Miller: I had a conversation this morning—and you can correct me if I'm wrong—but the mill manager I was speaking to thought that their primary roads were about \$100 million, and this program is \$28 million a year. I guess it depends what a primary road is. I would like you to tell me what a primary road is. Obviously, if it's just the Trans-Canada Highway, that's different than if it gets back in the bush a fair distance.

Mr. Kissick: The industry provides the road costs to us every year through a survey we do. That information, over the last three or four years, has shown that the industry spends about \$130 million a year across the province on building roads and maintaining roads. The largest single component of that \$130 million is expenditures for tertiary roads. These are roads that come off secondary roads, actually. They're very temporary; just to get into a harvest area. They don't really incur any maintenance at all. Oftentimes, the tertiary roads are shut down after an area has been accessed. Industry doesn't spend any money maintaining tertiary roads.

Mr. Miller: But they pay the full cost of building them.

Mr. Kissick: They do.

Mr. Miller: I know one of the recommendations of the minister's Council on Forest Sector Competitiveness was that the province assume 50% of the cost of secondary roads. That is something that was not responded to in this announcement.

Mr. Kissick: The largest single component is tertiary roads. In the minister's council, from my recollection—I was at most of the meetings—that was not an issue. The issue was primary and secondary roads. The cost of building and maintaining primary and secondary roads is about \$60 million a year. The announcement doesn't go to the construction of roads, but it does go to maintenance, and the majority of maintenance costs—75%—are for primary roads.

Mr. Miller: I understand that the \$28 million is retroactive to April 1. Is that correct?

Mr. Kissick: It's retroactive to April 1 this year.

Mr. Miller: It's just maintenance, though.

Mr. Kissick: Maintenance on primary roads.

Mr. Miller: On the other parts, the earlier announcement of the \$350 million that has been put forward as loan guarantees, the reaction I've had from industry people I've spoken to is that it really doesn't matter, because if your business isn't sound, if your business is in a negative cash position, you're not going to invest in it. For some of the large companies, getting cash is not a problem anyway. The question is getting the business in a fundamentally sound position, and that's where addressing all these costs is important.

My question to you is, how many applications have you had for the \$350-million loan guarantee that was announced back in June?

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Ms. Beggs: I believe that the formal process for the loan guarantee program will be launched in October, so it's possible that folks are waiting for that formal launch for putting in applications. We have, however, been working with one company on a loan guarantee application in advance of that formal launch. Other companies have expressed interest and asked questions about it—but no other formal applications, I believe, to date.

Mr. Miller: I would like to point out that the response I get from industry is that they need immediate help. They see the \$150 million as helping in the medium and longer terms toward incremental costs for things like developing more cogeneration, but it's next month that they are concerned about. I note that the reaction from the Communications, Energy and Paperworkers Union of Canada to the announcement by the minister this morning was fairly succinct: Cec Makowski, the Ontario region VP, called the announcement pathetically anemic and nowhere near what's required to turn the industry around. I also note the reaction from the Ontario Forest Industries Association that the critical core competitiveness issues are not addressed, and they point out that the cost sharing on secondary roads, as requested by the Minister's Council on Forest Sector Competitiveness, was not addressed.

On that \$350 million—the loan guarantees—you're saying that the program was announced in June but it's still just now in process, and it will be in October that you'll start to receive applications?

Ms. Beggs: We have received one application, but I believe our formal launch, and I stand to be corrected by Mr. Kissick, will be in October, when we put up application forms and criteria on a Web site. But we have been in discussion with one forest company and are processing an application from them. We have had interest expressed in conversations about what process it would take from other companies, but only one formal application to date.

Mr. Miller: Still on forestry: From the estimates, I see on page 47, to do with forest management, that there is a decrease of \$3.7 million, or 5.3%.

I note some of the points you have in the book on forest management:

“—leading and assisting in the implementation of the minister's council recommendations on forest sector competitiveness;

“—leading Canada/US softwood lumber negotiations and defending Ontario's position with respect to timber pricing and tenure;” and

“—implementing the provincial wood supply strategy.”

I would ask, at this critical point when obviously the industry is hurting, why is there a decrease in the budget estimates for forest management?

Ms. Beggs: In Ontario, in the Ministry of Natural Resources, I think we have a world-class forestry framework to work with and a wonderful program that is leading-edge and respected by other jurisdictions.

The ministry is one of several ministries across government that has been flatlined in its budget, and in order to manage all of the programs, including our forestry program, we've had to shift resources to highest-priority needs. In so doing, we've managed to meet all of our legislative requirements and, as I spoke in the minister's address, even have the worst fire year across Canada and come up with amazing forest fire statistics. I think you'll find when we actually conclude the year that across both the forestry program and the fire program we will have spent considerably more than what is estimated in the materials before you today.

In order to realign monies within the ministry, as a flatlined ministry, we have looked at savings that we can achieve by greater use of technology in our forestry program. We've gone to electronic publishing of some of the materials that we used for public information. We have got an electronic portal for exchanging information with the industry. So we have tried to minimize the effect on outcomes of that decrease in budget that you are speaking to.

I agree that we have tremendous priorities in the program and I believe we are meeting all of those priorities and, in some cases, like forest fires, which I realize is another part of our budgets, we're exceeding expectations, as we do regularly in that program.

Mr. Miller: Also, I note on page 65, under “Natural Resource Management,” capital expenses, once again to do with forest fire management—aviation and forest fire management—that there is a 30%, or \$2.3-million, reduction. Can you explain: You just said you had one of the worst forest fire years ever. Are you putting less emphasis on fighting fires in the future, or are you somehow changing the way you are doing business? Why is there a reduction of 30% in aviation and forest fire management infrastructure?

Ms. Beggs: That particular line in our budget refers to capital funding. The ministry has less capital dollars across government—

Mr. Miller: The plane the minister was flying in this morning is part of that budget, is it not?

Ms. Beggs: It is.

Mr. Miller: Maybe you'd better spend some money on that plane.

Ms. Beggs: It looks like even when we had more capital dollars, we had windshield problems, as I remember your first remarks.

The capital budget across government was built on a priority basis, and the ministry had to prioritize its capital projects for the year. The decline in capital in the aviation and fire portion of the ministry was a deferral on some work on fire centres. Is that right, David?

Mr. David de Launay: Yes.

Ms. Beggs: So it is work that we will get to as we are able to move up our capital allocation priorities.

Mr. Miller: Thank you. On natural resources management again, page 47, fish and wildlife management, I note there is a 5% decrease, or \$847,500, in the budget from last year on fish and wildlife management. Certainly it would be my experience in my own riding of Parry Sound-Muskoka that that is something my constituents are pretty concerned about. I note fishermen in the Sundridge area and the Lake Bernard area locally in the press in the last few weeks complaining about the decline in fish population and asking the Ministry of Natural Resources to be involved in stocking programs for Lake Bernard. Twice in the last week, I bumped into moose hunters who were very frustrated and decided to corner me and question me about the moose draw, which I don't know that much about, except that it's a draw. I learned a lot more by talking to them, but they were obviously quite frustrated by the system and said that it was pointless to even put your name in, because they'd done it for years and were not successful in drawing the right to be able to hunt moose. So why is the budget for fish and wildlife management decreasing?

Ms. Beggs: I'm going to let my deputy minister, Kevin Wilson, from the natural resource management division speak to your question. We're just trading microphones here, I believe.

Maybe I can just speak to frustration around the moose draw, first of all. I've been with the Ministry of Natural Resources on and off for many years—more than I care to count—and I've heard that frustration expressed. I know that for avid hunters, getting a moose tag is really getting a jewel in the crown, so I appreciate the frustration of people. We have many, many applicants, and for sustainability reasons we can only allocate so many tags. This year we've introduced a new draw for northern Ontario residents which will increase the probability of tags for northern Ontarians. I wasn't sure where this gentleman came from, but he may have a better chance this year.

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Mr. Miller: That would be a sore point with this gentleman, I think.

Ms. Beggs: But if he doesn't qualify as a northern Ontarian—

Mr. Miller: You can tell me where the line is for that draw, actually. It's probably just north of my riding, I suspect.

Ms. Beggs: And he would be just south of that line?

Mr. Miller: Yes. I don't think that would be news he'd be really happy to hear.

Ms. Beggs: Are you answering the question, David? Sorry.

Mr. de Launay: Mr. Miller, just on the question you asked about the reduction in the finances on page 47, you'll note that there's a reduction of \$847,000, but it's on an operating budget of \$16 million on that page.

Mr. Miller: So a 5% reduction.

Mr. de Launay: Right. The \$16 million is our base funding for fish and wildlife in the ministry, but the vast majority of the funding for our fish and wildlife program comes through our cards, which goes into a special-purpose account. So if I can take you to page 102 of the estimates, on the fish and wildlife special-purpose account you'll see in the middle of the page there's a budget line estimated at \$60.5 million. So our total budget for fish and wildlife is a combination of that \$60.5 million and the \$16 million on page 47. You'll see that in fact we think our revenues are going to go up 1%.

Mr. Miller: That's the revenue from fishing licences, I assume.

Mr. de Launay: Exactly; that's right. So the reduction is offset by revenue, more or less, and then it's a part of the way we're managing the program within our general management as a flatline ministry.

Mr. Miller: Thank you.

Another issue that I would certainly like to get to, just because I've heard so much about it, both in my riding and across the province, is the issue of bears, and in particular I guess the number of bears and nuisance bears. Recently, in the last month or so, there was a tragic event: a young doctor who was killed near Chapleau. We've also recently had a forestry worker dragged from a tent by a bear in northwestern Ontario. In just about any newspaper you look in across the province—I have a stack of about 30 of them here—there are stories about increased numbers of bears. In Timmins, as of September 9, the police had dealt with 382 calls re bears. In Red Lake, Ontario, as of mid-September, they've killed 23 nuisance bears. All around my riding, it doesn't matter what town you talk about; there have been many instances and lots of reports in the media to do with people and bear run-ins, I guess you'd call them. I know driving up to the northern part of my riding and stopping for coffee in Novar, that's what a gentleman wanted to talk about: the fact that he had had a bear breaking through the window of his house the night before at 3 in the morning, and how terrifying it was for him.

I note in the Miner newspaper of September 27 a long-time forestry worker saying, "This is terrible. Something has to be done. There's too many bears out there," said Bill Skene, an Abitibi-Consolidated contractor. "Skene, a veteran of the logging business, said he's seen more nuisance bears this year than any other in his 20-year career.... 'There's a bear problem in Ontario and the government has to deal with it,' Skene said."

Obviously, he feels that the government is not dealing with this problem of so many bears. I know that we have

the bear wise program. You can tell me a little bit about that. But what I'd like to know is how much the bear wise program cost in the past year.

Ms. Beggs: Thank you very much, Mr. Miller. I'm going to start by saying that the government did introduce a bear wise program. I believe we brought it forward in early 2004. The bear wise program has a 24-hour reporting line where people can call in with nuisance bear problems and the ministry assists in dealing their nuisance bear problems. In some cases where it is a pressing emergency, we will be in touch with police officers who are best equipped to deal with it if it's immediate public health and safety. In other cases, ministry staff will assist with the program. The program has an education component where we are working with municipalities, with commercial outfitters on how they manage things like garbage so as not to attract bears.

The bear wise program contains funding within it for municipalities to apply for to implement programs within their municipality that help reduce the number of bear-human conflicts through management of things that attract bears. In terms of the concerns that you expressed about bear-human contact, particularly the tragedy in Missinaibi park and the forest worker's encounter with bears, that is something we are acutely conscious of in the Ministry of Natural Resources, in particular in the fire season and the park season. We have literally hundreds of workers in the bush ourselves, so we share very much the concern for interactions with bears. The ministry is bringing forward an extra seal for bear hunters, so with uptake of that seal, harvest of bears may increase.

Mr. Miller: When does the bear season run from? I know it starts around Labour Day, or around August 31, I believe.

Ms. Beggs: It varies as you move across the province in terms of geography. We have extended the bear season in the north, brought it earlier in time to enable hunters to get out earlier. With hunting season, you have to watch that fine line between the balance of people wanting to be in the woods for other purposes and hunters being in the woods. Our seasons for all species are mindful of those issues. It depends where you are in the province when your exact date starts. I don't have it at my fingertips, but we can look it up for you.

I'm going to turn to Assistant Deputy Minister George Ross, who has the bear wise program, to put a little bit of flesh on the bones that I told you about. In particular, I can think he can tell you how much fiscal resources we have in that program.

Mr. George Ross: Mr. Miller, the bear wise program is funded at approximately \$5 million a year. That funding goes to support for the toll-free number and for a program that provides funding directly to municipalities. In each of the last two years we've provided \$900,000 to a number of municipalities to support fencing projects, garbage control projects and those sorts of things. We also have funded, in this program, an enhanced response capability, both within the ministry and with municipalities as well. This is to support police forces and direct

response by our staff in certain situations to bear complaints.

Mr. Miller: What's the total budget?

Mr. Ross: Five million, roughly.

Mr. Miller: Five million.

Ms. Beggs: In terms of the bear issues that the province has faced and individuals have faced this year, our deputy minister, who has bear management policy, has reminded me that our scientists tell us that one of the factors influencing the conduct of bears this year and their interaction with humans is the very hot summer we've had, low water and drought conditions, that then create issues in terms of food availability for them, particularly berries.

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Unfortunately, it is a fact of life that when humans and bears operate in the same territory and bears are looking for food, circumstances like the unfortunate incidents you referred to can happen. We're not the only jurisdiction. In fact, we're one of many that are struggling to work with people to better educate them about how to handle themselves in the bush, what precautions to take, and we're working specifically with municipalities on their practices.

The bear wise program is a program that we have learned and adapted from British Columbia that piloted a bear smart program before we brought that program to Ontario.

Mr. Miller: Just a question: Why did the government ignore the recommendation of the Nuisance Bear Review Committee to partially reinstate a spring bear hunt, as was recommended in the report that the current minister responded to?

Mr. Kevin Wilson: Kevin Wilson. I'm the assistant deputy minister for the natural resource management division.

The nuisance black bear review committee in August 2003 found that there wasn't a scientific connection between the cancellation of the hunt and an increase in problem bear activity in recent years. As our deputy minister has said, the availability of natural food in relation to weather conditions, in particular in Ontario, has been the leading cause of increased problems with the black bear population in Ontario. We have been in touch with other jurisdictions across the country, including jurisdictions that have maintained a spring bear hunt where they're experiencing drought problems, and they have similar issues that they're managing in terms of human-bear conflict. That would seem to reinforce the nuisance black bear review committee's determination that there wasn't a scientific connection between the two.

Mr. Miller: Does the Ministry of Natural Resources allow bear culls in the province of Ontario? Other than the hunt, are there any other culls?

Mr. Wilson: They do not. As our deputy has offered, in response to black bear population increases, in certain of our wildlife management units we've offered an extension of the hunt, and it varies from WMU to WMU. In 2004, in certain WMUs we offered a second seal that

could be purchased by hunters and, of course, we did this in areas where we felt we could sustain the additional harvest and that it wouldn't affect the sustainability of the population.

Mr. Miller: So there's not a bear cull going on in Marathon right now? Because I had information from a culler saying—maybe they're misinformed—that MNR was allowing a bear cull in the Marathon area right now, and they were making inquiries of me about it.

Ms. Beggs: I'm looking at assistant deputy minister Ross. I'm seeing he's puzzled as well. Mr. Miller, we'll volunteer to look into that and get back to you directly.

Mr. Miller: If you don't mind.

Ms. Beggs: Absolutely. We're happy to do that.

Mr. Miller: As I said, it was an inquiry I had to my office. Otherwise, I have nothing else to go by on that.

Getting back to the actual estimates briefing book, I note on page 46 that there is quite a substantial reduction in Ontario Parks' operating expenses—a 21% reduction, or \$4.2 million. I'm wondering what we're cutting out of Ontario Parks or what the other possible explanation might be for a \$4.2-million reduction from Ontario Parks' operating budget.

Ms. Beggs: I'm going to turn it over to David de Launay in just a moment. Ontario Parks' budget operates like the fish and wildlife program. They get an allocation from consolidated revenue and they also have what's called a special-purpose account where park fees and proceeds from marketing and concessions within the parks are deposited in a special-purpose account. Their budget is actually the combination of what they receive from consolidated revenue and the special-purpose account. I'm going to ask ADM David de Launay to address your question more specifically.

Mr. de Launay: On page 46 you have the reduction of \$4.2 million, as you've pointed out, on operating—the next column over—\$15,601,000. But again, I'll take you to page 102.

Mr. Miller: So you're going to tell me that revenue is up.

Mr. de Launay: Exactly.

Mr. Miller: I'm glad to hear that.

Mr. de Launay: We have been moving to cost recovery and, as the deputy said, we have a special-purpose account, and page 102 lays that out; it's the last item. Our revenues are up \$3.7 million, and we now bring in about \$44.6 million from parks fees. The total for our parks budget, then, is about \$60 million. We're cutting the base funding we get from general revenue, but we're off-setting that with parks fees.

Mr. Miller: I also note that there was a huge reduction in capital expenditure for parks. From memory—I'm not looking at it here—I believe it was \$28 million.

Ms. Beggs: I'll start, and David de Launay may want to put a little flesh on my bones of an answer.

Parks capital budget: Again, all of our capital budgets in the ministry are prioritized with capital expenditures across the government. In terms of the decrease in the parks capital budget, that was principally due to a

deferral of investment in redoing water systems in our provincial parks. We chose to make that decision because the standards for water systems were under review. New standards were being brought in, and to make the most effective use of the public dollar, we wanted to make sure we met the standards that the province expected for drinking water systems in public parks.

Mr. Miller: So basically, you didn't have to make the improvements to the water system because the rules changed—and it was very much a last-minute change, as I recall. In fact, I know that some of the contracts had been let by the time you learned that the rules and requirements had changed. So my second question would be, did you have any penalties with contractors who were about to start jobs or were midway through changes to water systems that were cancelled?

Ms. Beggs: Yes, Mr. Miller, we had ongoing contracts with a number of companies. I'm not familiar with but know of at least two park sites where that occurred, and we are in negotiations over the contracts with the supplier of those services. Some work was done, but not all of it could be completed, and we're working that out with the people we had under contract for retrofitting those systems.

It would be our intention, with new standards in place, to revisit our capital over the next planning year to see where we need to make an investment to meet—and it will be a priority for us—the new drinking water standards.

Mr. Miller: Thank you. On a small item on page 17, "Agencies, Boards and Commissions," I believe the crown timber board of examiners' budget was reduced \$5,000.

Ms. Beggs: I think your observation is correct. In terms of the impact of that, I would need to get back to you.

Mr. Miller: Thank you. "Ministry Administration": Costs are going up dramatically. The overall budget for administration is to increase by 13%, or \$4.4 million. The main office budget—the deputy minister's office, minister's office, PA's office—is to go up almost 50%. How can this \$1 million in senior administration be justified?

1530

Ms. Beggs: Our ministry budget for administration has gone up. Part of the reason our budget has gone up is that we have realigned particular parts of the ministry into our corporate management division and into our deputy's office. I'd like to give you some examples of that. One of our agencies, boards and commissions is the Niagara Escarpment Commission. We work with a memorandum of understanding with the commission. The director of the commission reports directly to the deputy minister. The commission was formerly budgeted in the natural resources management budget. I believe we moved the budgeting of the commission to the administration budget, which includes the deputy minister's office. We also have realigned some other functions in the ministry, and I'll ask David to speak to that in a little bit more detail. So we've brought some work around the

Environmental Bill of Rights and the coordination of freedom of information into the ministry's corporate management division, and hence into our administration budget.

I'm trying to think if there were other specific ones. David, I'm going to turn it over to you, because I know you're more familiar with the numbers than I am.

Mr. de Launay: The main shift has been moving the Niagara Escarpment Commission—\$2 million—and also land use planning functions. We've now linked up all our municipally related planning as well as our environmental assessment and Environmental Bill of Rights work, as the deputy said. This was in part to meet the government's commitments to the greenbelt and so that we would bring all our land use planning together into one place in the ministry, which is within our administration program.

On the main office spending item and the \$1 million that it's up, none of that is the minister's office. That is primarily in a transformation office that we've created for our whole ministry. So it resides in the administration line item here, but it is an office that is helping us make the changes we need to modernize ourselves and meet the government's priorities. We also had in that some funding—we had chronic underfunding in our deputy's office, which was addressing policy issues and strategic management issues of the ministry.

Mr. Miller: So should I be able to find a corresponding reduction somewhere else, and where would I find that?

Mr. de Launay: Yes. For one large part of it, you would find reductions in the "Natural Resource Management" item, which is on page 47. You will see on page 49, just near the middle of the page, the transfer of the Niagara Escarpment Commission to "Ministry Administration." That's the \$1.994 million out that then comes into "Ministry Administration" on page 35. That's the largest single amount, and then the line item above that, the \$307,000, would address some of the planning and environmental assessment transfers. Then you'll notice, if you go through all the estimates, that we have in many of the programs an internal reallocation on our transformation—you'll see that line in most of them. Parts of that have gone to the different kinds of things the deputy is talking about: policy enhancement and communications enhancement.

Mr. Miller: On page 34, under "Ministry Administration," I note that salaries and wages are going up 23% to \$17.3 million, a \$3.2-million increase. Is that tied to the realignment, or is there another explanation?

Mr. de Launay: Yes. Those numbers you see on page 34 are essentially taking the numbers from the page before it—only it's a different form of accounting. It's primarily a realignment issue.

Mr. Miller: On page 49, can you explain the sunset portion of the former Ontario Living Legacy funding of almost \$6 million?

Mr. de Launay: Yes. Living Legacy was a project for a number of years in our ministry that we had funding

for. This was when we wound down the program and we had some goals around regulating parks, regulating conservation reserves and other issues related to that. When we met most of our goals—we have some ongoing work, but we've accomplished most of the goals around regulating the parks and conservation reserves and that—we wound down the special funding we had for OLL.

Mr. Miller: Does it mean you didn't spend the \$6 million you previously allocated?

Mr. de Launay: No; this is a planning number. So we're saying that where we had \$6 million for Living Legacy funding, we don't have it going into 2005-06. It's not unspent money; this is a planning number going into 2005-06.

Mr. Miller: So all the parks are planned, all the reserves are planned. I thought we were just midway through that process.

Mr. de Launay: We have met most of the regulations. There is the challenge of having management plans in each of those parks, and so that is now part of our ongoing work in our natural resource management program.

Mr. Miller: The ministry is involved in watershed-based source protection. Can you tell me how much money you spend on that in a year, or what's budgeted for this year?

Mr. de Launay: Again, starting on that page where we just were, page 49, we have \$4 million that's coming to the ministry for source water protection.

Mr. Miller: Coming to the ministry, you say?

Mr. de Launay: That's right. This explanation on page 49 shows the money out, when we're doing our planning, and then money coming into the ministry. We have \$4 million coming into the ministry to address our role in source water protection.

Mr. Miller: Where's that money coming from, sorry?

Mr. de Launay: This is from central revenues.

Mr. Miller: OK.

Mr. de Launay: When we do our estimates, what these pages show is the money that's going out, such as winding down Living Legacy, and then money coming in from the central revenue fund from taxation and other sources. Our role in the source water protection is related to our role with the conservation authorities, where that legislation is under our authority. We are the main point for the government in its relationship with CAs. This is also for some of the work we do on mapping and some of the work that we do on other areas related to our mandate around surface water management.

Mr. Miller: Just mapping of water—I know recently, I've had a situation in my riding where in Three Mile Lake the last few weeks there's been a blue-green algae bloom, a fairly significant one, over the lake. I know the residents of the lake are quite frustrated because they can't seem to get any level—provincial government, anyway—to assume any responsibility. They discovered it themselves. I may get the chronology wrong, but they discovered it themselves, and I think they probably called the Ministry of the Environment and got them to

establish that, yes, there is a blue-green algae in the lake, and then I think the health unit put out an advisory, nothing too definite, just an advisory that there was this algae in the lake. Beyond that, the people have been very frustrated as to getting somebody to test the water or somebody to take further action to clean it up. Does the Ministry of Natural Resources play any role in a scenario like that that's happening in Three Mile Lake?

Ms. Beggs: The Ministry of Natural Resources doesn't have a direct role in what's happening in Three Mile Lake. Just from my own personal experience, I am aware of programs that are run under the Federation of Ontario Cottagers' Association, where they have support for cottagers' associations in assessing their water quality, diagnosing problems and taking remedial action. It would be my suggestion that if there is a cottagers' association or someone who is very interested in that, a connection made to the federation might be very helpful. I believe that program has a partnership component with the Ministry of the Environment, but I don't know all of the details on it.

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Mr. Miller: So in source water protection and MNR maps—is that just mapping the body of water, mapping water levels? Explain that more to me, if you don't mind.

Mr. de Launay: I'm only partly answering, because this is what I used to do as the director of lands and waters, so I'm looking to the ADM responsible. I'll give you a short answer.

In terms of source water protection, it's not only the mapping. We do manage surface levels to some degree, so the dam system, for instance, that keeps the levels in your area, in the Muskokas, is a series of dams that are managed by MNR. Related to source water protection, we've had water management planning, particularly with our hydroelectric partners. We've been through processes, and I know in your area we've been doing that as well. That's been, as I say, water management planning linked to hydroelectric facilities.

So for source water protection, across the government, the Ministry of the Environment has the lead. Other ministries have a role to play, such as Agriculture and Food on nutrient management, and we're still building the foundations. The final legislation on source water protection has not been passed, so the final shape of what that looks like on the landscape and exactly what our role will be in implementing it is still not completely determined.

Ms. Beggs: Maybe I can add just a little bit of detail on source water protection, Mr. Miller. Our role is contributing expertise for provincial surface water quantity monitoring, information management—

Mr. Miller: What was that? Sorry—quantity?

Ms. Beggs: Quantity monitoring. We have a quantity monitoring system headquartered in Peterborough—watershed planning, water budgeting, watershed management and crown land and resource management planning. As well, the ministry has the provincial lead through the water resources information program to establish a

province-wide data and information management system that will support source water protection planning, so we're building that as part of the partnership with the Ministry of the Environment and the partnership with both municipalities and conservation authorities that will ultimately lead to a more fulsome program on source water protection.

Mr. Miller: Thank you. I just know, speaking from the perspective of residents who live on Three Mile Lake—and I can think of another spot in my riding that's had some blue-green algae problems, Sturgeon Bay on Georgian Bay—the councillors and residents and the cottagers' association are quite active in trying to do something about it. There's a real level of frustration, not so much with the Ministry of Natural Resources but more with the Ministry of the Environment, that they can't get any responsibility to land on the provincial government to actually assist them in the actions they're trying to do to improve the water quality and to deal with the algae problem. There is definitely some frustration out there to do with that.

Switching to a slightly different topic, the topic of cold-water lakes and the science around determining the level at which a cold-water lake can be developed in terms of cottage lots on the lake and man's use of the lake, how often is the science to do with that situation updated?

Ms. Beggs: I'm not current on how often, but I will tell you that in the Ministry of Natural Resources, in our science and information resources division, we have a number of scientists who have been working on the capacity of cold-water lakes to sustain cottage development. They have had ongoing programs that they have worked on in conjunction with fellow scientists from the Ministry of the Environment to determine the capacity of cold-water lakes. That science has been refined, to the best of my knowledge, for at least a decade. It's captured in a protocol arrangement that allows us to offer assistance as a provincial government to municipalities as they plan, through the one-window approach, to decide on how much development to have on lakes within their jurisdiction.

Mr. Miller: The reason I asked the question is that a few years back, on a couple of occasions, I had constituents come to me and complain that the science MNR was using—and their official purpose is to advise about whether development should or should not happen on a lake—was outdated and in fact flawed. I'm not a scientist, but it was I think 777 being dissolved oxygen and a couple of other components. I believe it was a Muskoka-based scientist who came up with the original model, but the complaints were that it was outdated and in fact flawed. So that's why I asked my question about whether you're still using that one, or whether you're actively updating it on a regular basis and what the current model is.

Ms. Beggs: I can't tell you for sure if the actual criteria has changed since you heard that complaint from somebody in your riding. I can tell you that we have

ongoing research, and we do incorporate into our policies, both in the Ministry of Natural Resources and the Ministry of the Environment, the latest and best science in terms of the protection criteria. I can also say, from personal experience, that I have the utmost confidence in the scientists in the Ministry of Natural Resources. We have world leaders in the science of cold-water fisheries and habitat criteria, and they have acclaimed reputations internationally. So you have my undertaking that we will incorporate the most recent science, and you certainly have my opinion that our science is second to none.

Mr. Miller: Sticking with science for a second, do you have a process to do with forestry guidelines? I know, as I travelled the north and met with all kinds of different people connected with the forestry sector, they tend to complain about some of the guidelines MNR has to do with protecting species based on what they see in the field. They asked me that it be updated and that you use the latest science and review it, because they'll point out situations in northwestern Ontario where bald eagles are protected and there are thousands of bald eagles around. They've spent half a million dollars to move a road so they don't get within 800 metres of a bald eagle's nest, only to have the bald eagle move and build a nest right up where they built the road—and stories like that. So my question is, do you on a regular basis update the science that forms the guidelines for forestry practices?

Ms. Beggs: Yes, we do. We actually have a legislated requirement, under our class environmental assessment for forestry management, to work with both a provincial forest policy committee and a provincial forest technical committee. The provincial forest technical committee is chaired by our ADM of the forest division and contains on it scientists and representatives from industry, the environmental community and the academic community. That particular committee has undertaken an ambitious job of revising all of our forest management guides, the ones that you're referring to that would protect wildlife species like bald eagles. They're in the process of working through those guides and, in revising the guides, are bringing the best available science into the guides.

In terms of bald eagles, I believe, and I'll look to Deputy Minister Wilson to correct me if I'm wrong, that they are a species at risk in Ontario. Like the anecdotal information that you've received, it's my understanding that bald eagle populations are recovering, they're getting better, and the province is in the process of looking at what is required for the future. We're anticipating that with that review, there may be a move to delist that species. Indeed, if that happened, that would be reflected in practices on the land base and in guidelines that would have been established to protect the species.

Mr. Miller: On page 39 of the estimates, the geographic information program is being substantially cut by \$6.8 million, or 16.6%. I'm wondering what the explanation would be for that cut in the geographic information program.

1550

Ms. Beggs: Maybe I'll start, and hopefully David can fill in.

Our geographic information program contained within it a special initiative that we called GeoSmart. This was a pot of money that we had available for communities to apply to, to upgrade their geographic information systems and data in support of their activities. We have wound that program down, and I suspect—

Mr. Miller: So is this work completed, then? Is that why it's wound down?

Ms. Beggs: I believe municipalities and communities will have ongoing needs to upgrade their geographic information systems, but for financial reasons we've taken a look at all of the priorities within the Ministry of Natural Resources and had to wind that program down. So we are completing the work with communities that had received grants or commitments from the program and are not accepting new applications in winding down the program.

Mr. Miller: Thank you. Sorry; I'm starting to run out of time, and I wanted to get one point in on a different topic.

I note from my earlier question on the bear wise program that it was \$5 million for the cost of that program. You're pointing out places where you are saving money. One of the decisions the minister made was to close the Leslie M. Frost Centre. What was the cost saving—this has been over a year now—in closing the Leslie M. Frost Centre? We know that the bear wise program, based on the piles of newspapers I'm looking at, while it may be playing a role in educating the public, it certainly isn't dealing with the problem of nuisance bears. I'd like to relate that back to how much money was saved by closing something that was considered to be a very important public asset, the Leslie M. Frost Centre.

Ms. Beggs: David, can you take that question?

Mr. de Launay: It was a very tough decision, as you know, for us to do that with the Leslie M. Frost Centre. We were saving \$1.2 million a year. It had come to the point where most of the budget was going to the running of the dormitory and the kitchen. So when we looked at our priorities in the ministry, this was one—we were trying to fund all the different pressures—

Mr. Miller: So \$1.2 million: Was that the operating cost? I know they were also dealing with things like water systems, which parks were as well. Of course, the rules changed on that. So was that the operating?

Mr. de Launay: That's the operating. But you're absolutely right; the capital cost was a big question. When I met in January with the group chaired by Dr. Desbiens looking at what could be done with the centre, we had a good, long talk about that, because with the new drinking water regulations we had our own upgrades that we were going to have to do. With the new drinking water regulations, it was going to cost significant amounts of money. So we had capital investments that we had to make.

Mr. Miller: That will have changed now, because the rules have changed for drinking water systems.

Mr. de Launay: And I'm not clear enough on the new rules to know how it would apply—

Mr. Miller: It saved \$28 million for Ontario Parks. It would save some money for the Frost Centre, and many thousands of small businesses across the province.

Mr. de Launay: It's quite possible, yes. There were the two issues, though. There was an operating line on which we were able to save money, and then there was a cost-avoidance issue, I guess you could call it, in which we were looking at significant capital outlays, potentially.

Mr. Miller: I guess my next question would be, then, there was a lot of training done for the Ministry of Natural Resources at the Leslie M. Frost Centre. How much is it costing you to do that training now that you are no longer doing it at the Leslie M. Frost Centre?

Mr. de Launay: We don't have an overall costing of the training costs. What it has forced programs to do is look for other alternatives, such as using our own buildings, using other locations—Geneva Park, for instance; the YMCA—where we get a very good price on it.

Mr. Miller: But still, you'd have to take the \$1.7 million and subtract off of that whatever you spend on training in places like Geneva Park, which, as far as I know, is a private business. The YMCA runs that, I believe.

Mr. de Launay: That's correct. It's the YMCA.

Mr. Miller: You don't have a figure for what you would have spent on training?

Mr. de Launay: No, I don't.

Ms. Beggs: While David doesn't have the figure, one other point that I think is important to understand when you're looking at the estimates for a ministry like Natural Resources, with our staff located across the province from Kenora to Cornwall, is that we have tried to reduce our travel budget by delivering training using other vehicles closer to home for some of our programs. We've put trainings on compact discs that people can do in their offices. We've introduced a videoconferencing system in the ministry, where we find that we can make effective use of videoconferencing and reduce our travel budgets. Travel from the far-flung areas of the province to the Leslie Frost Centre was an additional cost over and above the operating costs of the centre that we're hoping to defer by using alternative techniques.

Mr. Miller: Thank you. One big reduction in the budget—and I haven't found it in the estimate papers, but the capital expenditures for the ministry go from \$74 million, according to the actual budget delivered in May, down to \$53 million planned for this year. That's a pretty substantial reduction.

Mr. de Launay: Yes. The capital increases and decreases you'll find in mainly the Natural Resources management infrastructure, which is page 65. On page 67 you can see a list of reductions.

Mr. Miller: I note that one of them is dam rehabilitation, which is another thing I hear a lot about in my riding of Parry Sound-Muskoka because there are so many small lakes and water controls. I've had hundreds

of letters—whenever there's a study done on a particular lake, I usually get just about every cottager on the lake writing me, voicing their opinion about what they would like. They usually want the status quo, meaning MNR looking after the dams. I see there's a reduction in dam rehabilitation of \$3.2 million, so that would certainly be of concern to me.

Ms. Beggs: Dam rehabilitation is an important priority. We are very sensitive to the need to keep our dams in excellent shape for public safety reasons. We have been working in the ministry's capital program with assessing all of the ministry dam infrastructure, prioritizing the needs and working through in a concerted fashion on remedial efforts on dams that require work to be done on them, and we'll continue to do that.

We had a reduction in our whole capital program and had to establish priorities, and the reduction that you see in the dam maintenance program is a reflection of the need to set priorities across the ministry. That being said, I can assure you that when a dam needs to be repaired, we put it at the top of the list for our maintenance work.

Mr. Miller: So you can assure me that places won't be getting flooded out because of dam collapses?

Ms. Beggs: I can tell you that in Ontario not all of the dams are Ministry of Natural Resources dams. For Ministry of Natural Resources dams, we have a very high standard for public safety. I believe, and I stand to be corrected, that the ones that we set for our ministry infrastructure are higher than the Canadian safety standards,

Mr. de Launay: Not to prolong this, but just to clarify, that \$3-million number decreases for maintenance and rehabilitation across all the programs. The next line item is the dams, which is \$1.4 million. So it's down, but we still have a significant amount of capital going into maintenance of dams.

The Acting Chair (Mr. John Milloy): Mr. Miller, you have about one minute left.

Mr. Miller: Thank you very much, Chair.

You mentioned, in delivering the minister's opening speech, water power and some of the new projects; one in Kapuskasing, I believe, which you said is going to bring 20 megawatts of power on. How many bids have you had for water power projects and what sort of total capacity in megawatts is there out there that we might see in the next few years?

Ms. Beggs: So the question is, how many bids have we had for water power projects, and what's our capacity for the future in terms of water power projects? Kevin Wilson, my assistant deputy minister, natural resources management, will bring that to the table.

Mr. Wilson: Thank you, Deputy. As of 2005, through our competitive site release process, we've received 57 expressions of interest for water power; 18 of these expressions have been qualified for release. MNR is releasing for development 13 areas across the province; we have received nine submissions for the 13 areas. Two competitions have not yet closed, so we expect there will be other opportunities arising.

There's a fairly substantial untapped water power resource still left in Ontario. We're working closely with the Ministry of Energy. Our release of our new policy is to free up crown land for water power development. Our goal is to really assess the technical feasibility of the proposals coming forward to ensure that they are working with First Nations and the communities in which the water power will be developed, in turn working and co-ordinating with the Ministry of Energy so they are wrapped into the RFP process they are sponsoring as well.

Mr. Miller: Is that nine separate projects?

Mr. Wilson: Nine submissions for the 13 areas. So this is very much work that's underway. It will take some time before these facilities are brought on-line for production by the time they go through the Ministry of Energy's RFP process.

Mr. Miller: A couple of years?

Mr. Wilson: Depending on the size of the endeavour, they can be quite capital-intensive projects. There are EA requirements they have to go through as well. Larger projects—it could take a couple of years to bring them on in terms of production.

Mr. Miller: Thank you for your answers today.

The Acting Chair: I have to cut you off right there. First of all, thank you very much to the deputy and her team for coming forward under rather unusual circumstances, and thank you to the committee.

The committee will stand adjourned until Monday morning at 9 a.m. There are exactly five hours and 37 minutes left for the Ministry of Natural Resources. The committee is adjourned until Monday.

The committee adjourned at 1602.

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Ministry of Natural Resources

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ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
ESTIMATES

Monday 3 October 2005

COMITÉ PERMANENT DES
BUDGETS DES DÉPENSES

Lundi 3 octobre 2005

The committee met at 0902 in room 151.

MINISTRY OF NATURAL RESOURCES

The Vice-Chair (Mr. John O'Toole): Good morning. The standing committee on estimates is pleased to welcome the Minister of Natural Resources. I appreciate that we did meet last week and the minister was not available, but at this point in the schedule, we have half an hour for the third party to make comments to the opening comments that were made.

Mr. Gilles Bisson (Timmins-James Bay): Thank you very much, Chair. Minister, welcome among us. I just have to say you've managed in the last year to make more people disappointed in northern Ontario than I can shake a stick at, and we can probably stay here for about three days just talking about the stuff you've done. I know that my leader has some questions, but I'm going to take a little bit of time at first just to make a couple of quick comments.

I think most of us in northern Ontario understand that there's always been this sort of covenant between the citizens of the province and the MNR—MNR being one of the key ministries for the economic and social well-being of northern Ontario. I guess where I take great exception with what you're doing as minister, and what your ministry is now doing under your command, is that it's really changing a lot of what has been the basis of some pretty good partnerships between the people of northern Ontario, the communities and the crown and through MNR.

First, we saw—and we'll talk about later—the approach you have taken toward the whole issue of what happened in Opatatika, Chapleau and Kirkland. Communities have been devastated. Communities have lost their only employer as a result of the decision you made that we can talk about a little bit later.

Just as recently as Thursday, a long-awaited report that had been worked on for a year, which was commissioned by yourself—you were supposed to follow up with some recommendations that were made by people from northern Ontario. You've managed to single-handedly put everybody in one camp, and that's against you, which I find truly remarkable, because I quite honestly figured that your government was going to figure out that northern Ontario is in a crisis when it comes to forestry and that, at the end of the day—

Hon. David Ramsay (Minister of Natural Resources, minister responsible for aboriginal affairs): Mr. Chair, I take exception to that. I think I'm quite well liked in northern Ontario, really. It's really quite amazing—

The Vice-Chair: Pardon me, Minister. These are statements by the third party. You'll have a chance.

Hon. Mr. Ramsay: I want to say to the member, though, that I still have a very strong following in northern Ontario, and I want to put that on the record.

Mr. Bisson: Thanks a lot. I don't really know how big the following is. Maybe if you look in your closet you'll find a few.

Anyway, I'm just going to say up front that I was in meetings all day Friday in Kapuskasing and Hearst and all day Saturday and part of Sunday with people out of the Timmins-Kirkland Lake area. It doesn't matter if you're industry; if you're a community member, as far as a municipal councillor; if you're a citizen; if you're a member of STRONG, which you know is a pretty important group up in the Kapuskasing area; if you're talking to the steelworkers; if you're taking to Canadian energy and paper workers: Everybody is of the same view. I've had a chance now to talk to most people who are running the plants up in the part of the province that I represent. I've had a chance to talk to pretty well all of the union presidents to see what they have to say. I've talked to most municipal councils.

Quite frankly, people were expecting that there was going to be some sort of relief for the industry. The key issue you have to move on, that everybody recognizes and that you seem not to recognize, is the whole issue of electricity. For example, at Tembec in Kirkland Lake, like most paper mills, 25% to 28% of their overall cost is electricity. Basically, the announcement that you made on Thursday does nothing to deal with that issue. In talking to Terry Skiffington, who is the manager in Kapuskasing, and in talking to people at Grant and others, what they're basically saying is that the argument this government is trying to use, that somehow or other industry is in a downward cycle—they're saying to me, "It's not a cycle; this is entirely caused by the government." It's not a question of industry being in a cycle. They can deal with their own components, which are what's happening with the high dollar and other things affecting the industry. But the bottom line is that if you don't deal with the electricity issue, they're going to be in deep trouble.

The other issue is that if we don't deal with energy costs as far as transporting wood from the forest to the mill etc., they're really in a bad spot. One thing they're telling me to tell you is that you'd better recognize that this is not cyclical. This is not an issue where you can say, "This is just one of those things that happens every 10 or 15 years in industry. We'll weather it, and at the end of the day we're going to be all right." The basic issue is that they're not going to be there after this "adjustment," as you put it. A number of industries in the paper and sawlog industries will go down across northern Ontario.

I also was quite taken aback by your comments on Thursday in Thunder Bay, when asked by, I think, one of the reporters from TVO—at least it was reported on the Steve Paikin TVO show. One of the comments you made, and I was really taken aback, was that you sort of accepted that there are going to be closures of sawmills and paper mills in northern Ontario and there are going to be layoffs, and we're just going to deal with the effect of that at the end. I take great exception to that, because quite frankly, a big part of this is very avertible if this government were to take on its responsibilities.

This is not new; northern Ontario has faced this before. In fact, it was faced in 1989, 1990 and 1991, at the end of the mandate of the Peterson government and the beginning of the Rae government. Quite frankly, we restructured all of that industry to where it basically had some of the most active times over the last 10 years when it came to investment in industry, technologies, modernization etc., and we repositioned the industry in quite a good way, I believe.

The other argument I make is that if you're trying to say that part of the solution and part of the problem is because industry is not modern, I suggest that you take a walk through most sawmills and paper mills across northern Ontario. They have invested heavily when it comes to automation and technology in order to lower their costs. Again, industry is telling me, "This is not a question of us not being productive. This is not a question of us not investing in our plants and making ourselves as efficient as possible. That has nothing to do with it. It has to do with the decision of this government, primarily around the electricity file."

I know that my leader, Mr. Hampton, has a number of questions to ask, but on this last point I just want to say the following: I watched that announcement on Thursday and quite frankly was taken aback. The message I bring to you is the message that is being brought to me by people in my constituency and yours. The people from Rexwood, as you know, lost their employer. It was announced as a permanent closure on Thursday. I've had a chance to talk to some of them. I've been talking to people within Tembec, Grant Forest, the Columbia Forest chain, to the workers there and to some of the community leaders. They're saying, "We've really got to get the government to respond to what is, quite frankly, a crisis in the industry. If we don't get your government to do so, there's not going to be a lot of these people left standing when it's all over."

0910

Let me put it to you this way, very simply. We know that part of the issue is the Americans and the effect the countervailing duty has had on the industry. We also know that it is probably the plan of the United States, by way of that countervail, to reposition our industry to put some of those guys down. Quite frankly, I think what you guys are doing is assisting them, when what we should be doing is working with industry, communities and others to find ways to help industry to survive this, to rebuild and take the rightful position we have in the North American market. The way you're going, frankly, is quite scary and disheartening for many.

I know Howard has some questions, and I'll leave it to Howard at this point.

Mr. Howard Hampton (Kenora-Rainy River): I want to ask some follow-up questions from last week.

Earlier in the spring, Minister, you made a loan guarantee announcement. You said, "I am pleased to release the council's final report, and am confident it will help us with a long-term plan for our forest industry." Again, "We are taking a number of steps immediately to respond both to critical challenges facing the industry, such as wood supply and rising costs, and to a number of the council's recommendations."

One of the things you announced was a \$350-million loan guarantee program, is that right?

Hon. Mr. Ramsay: Correct.

Mr. Hampton: It's now five months later. Can you tell me how much of the loan guarantee money has been dispensed?

Hon. Mr. Ramsay: We have actually signed an agreement with one company for that. We did this in advance of officially launching the program. We've contacted all the companies. FibraTECH in Atikokan has been able to avail itself of this program, as well as going to the heritage fund for some money to support them. The two programs now run concurrently, and in the next week we'll basically be open for business with both of these plans. Of course, as the member probably knows, companies will be able to piggyback on the two programs.

Our loan guarantee program works like this: You can get a bank-guaranteed loan for up to 50% of your project cost, and then with this new program, once we've taken a look at the proposal, you can supplement that with some grant money from the prosperity fund.

Mr. Hampton: I asked a specific question: Of the \$350 million in loan guarantees that you promised five months ago, how much money has been dispensed?

Hon. Mr. Ramsay: It's not dispensed until the companies make their announcements. We have been in negotiations with two companies: Bowater, in Thunder Bay, and Abitibi, which you're familiar with, in Kenora. You're aware of the news, which is not really official, about how the company has been speaking to its workers about their plans. The plans they're speaking of, if they go ahead, are based on the success of discussions they have had with the government, and various components of our package are the framework that supports the success of those discussions.

Mr. Hampton: I'm going to ask the question again: Five months later, of that \$350 million of immediate action that you promised, how much money has actually been dispensed?

Hon. Mr. Ramsay: Until the companies come forward with proposals and expense the money, we don't expense it out.

This is interesting, and it addresses sort of the comment that you and others made: "Too little, too late." I guess I would say, "How do you know that?" We're looking at the industry coming to us with proposals, and they are starting to do that. I think, now that they see the full package, other industries are going to take a look at what's available.

The two companies I just spoke of came to us before they knew what was totally available, because they had to make some decisions in a timely fashion, and we dealt with their proposals even before the policy was out. But the framework of those discussions is based on the policy we have put out.

I'm certainly hoping that more companies will come forward. Then, as they expense their money and our money flows, the programs kick into place. Obviously, as each proposal goes forward, we can make the announcement at that time as to what parts of the program and what amounts of dollars the government contributed or guaranteed.

Mr. Hampton: What I think I hear you saying is that five months after you promised immediate action, what you had was five months of discussion. At least 150 jobs, possibly 350 jobs, are gone from Abitibi-Consolidated in Kenora, 150 jobs are gone from Cascades in Thunder Bay, 175 from Norampac, and probably more to come, in Red Rock, and your ministry has been discussing for five months, after you promised immediate action. I'm going to ask you again, while jobs have been being lost, while communities are being shut down, has any of this money been dispensed or have you just been talking?

Hon. Mr. Ramsay: I think we have to address quite up front and frankly, where your critic was shocked and you're going around it, that I've never said—to the contrary—that we are going to be able to be in a position to save every job in this industry in this province. This industry is going through a transition, just like it did when you were in government in the 1990s. It was pretty low at that time and, as Mr. Bisson said, there was some assistance given at that time by your government that possibly helped contribute. But I'm sure it was the economic cycle. As you know, there was a very big recession at that time. The industry was very hard hit by that recession. There was some restructuring, but the industry bounced back. This industry is very resilient, and it is going to bounce back, but there is restructuring that's going to happen.

We don't need as much newsprint in North America as we are producing. That's a fact. I wish it wasn't so, I wish more people were reading newspapers, but they're not. So in North America the demand for that product is down. But we have the ability in Ontario, because we

have superior fibre to other jurisdictions, to help the companies transition themselves to produce other products that are in high demand, based on the very strong, resilient fibres that we have coming from species like black spruce.

This is a tough time, I've never denied that, and there's going to be some readjustment in labour and jobs. There will be some adjustment there; there will be some losses. But I think, as we get through this, we're going to be able to recover and have some good times again.

Mr. Hampton: I just want to draw your attention, Minister, to the fact that Norampac is not a newsprint mill—

Hon. Mr. Ramsay: I never said it was.

Mr. Hampton: —and Cascades is not a newsprint mill, and Neenah Paper in Terrace Bay is not a newsprint mill. So, yes, there may be some changes in the newsprint industry, but most of these job losses aren't happening in newsprint. These job losses are happening in other markets—markets that are not restructuring, markets that by and large are doing well.

Coated papers are doing rather well. I read in the *Globe and Mail* that in fact a pulp mill that's been idle for a few years is going to be started up again on Vancouver Island. Why? Because pulp supplies are tightening. So in other jurisdictions we don't see coated papers being lost; we don't see cardboard being lost. We don't see pulp being lost in British Columbia.

When we talk with industry, they're not talking about restructuring. They're talking about a government which has ratcheted up electricity rates to the point where a mill in Ontario is now paying perhaps two and three times what their competitors are paying for electricity.

Let me just give you one example. The average monthly hydro bill for the paper mill in Kenora is \$2 million. The average monthly hydro bill for the Tembec mill in Pine Falls, Manitoba, about 90 kilometres down the same river, is less than \$1 million. So Kenora is paying \$2 million a month for hydroelectricity in Ontario under the McGuinty government, and the Tembec mill in Pine Falls, Manitoba, is paying less than \$1 million a month for electricity. What the industry is saying is, as long as you continue to drive up electricity prices, why would they invest in Ontario? They're signalling that by leaving the province.

0920

The other point they make, and they made it on delivered wood costs, is that delivered wood costs in Ontario are about \$55 a cubic metre, whereas outside of Ontario they're, on average, about \$35 a cubic metre. In other words, two of the three big issues—I think from time to time Mr. Valley comes to talk to you. He mentions fibre, fuel and folks: the cost of fibre, the cost of energy and the cost of labour. On two of the three, the cost of energy and the cost of fibre, the pulp and paper sector in Ontario is being rendered non-competitive under the McGuinty administration.

You say that this is simply market conditions. How does the market have anything to do with the cost of fibre

being \$20 more per cubic metre in Ontario? How does the market have anything to do with electricity rates where these mills are closing in northwestern Ontario being \$80 and \$90 a megawatt, when people know that that electricity is being produced at nearby hydro dams for \$10 a megawatt? Can you tell us that?

Hon. Mr. Ramsay: Let's start with the cost of delivered wood to the mill. When you compare that to the world average, you're comparing that to Third World conditions, where you're talking about folks with very low wages. I don't think we want to be trying to compete with that. I don't see this as a race to the bottom. I want to make sure that our forest sector jobs are well-paying jobs for our people all over this province. So I don't think we want to race to the bottom there.

You know that when it comes to the growth of fibre in these tropical countries, some are harvesting in 15 and 20 years, whereas our superior fibre takes about 80 years to grow. So there are factors there.

You started this trend, when you were in government, when you downloaded the costs of the road maintenance and construction to the companies. For the first time we now have started to reverse that trend by funding, to the tune of \$28 million a year, the maintenance of the primary road network to all the companies that are involved. We've turned around a trend that you had started when you were in government that did add to the cost of delivered wood.

We're looking at a lot of administrative changes that I think will continue to drive down the cost. One of the examples of that is moving to a system of co-operative sustainable forest licences. We've got some very good examples of those in the province. From what I see, they are more efficient operations than all the different forestry companies having all their forestry departments competing against each other. Where we have these co-operative SFLs, the companies combine their resources in this free-standing co-op forestry operation and basically plan, over a larger landscape, the cut to provide the most appropriate wood for the most appropriate mill. With these efficiencies, you again start to drive down the cost of delivered wood.

It's not just throwing money at it, though we've started to do that and to say, "You know what? You shouldn't be totally responsible for all the road maintenance. We're going to start to contribute toward that." We're looking at other ways, as we continue to work with the companies, to address this.

This is a big problem. The critic said that when you were in government, you had restructured the industry. Well, if it was so well restructured, why are we in this mess today? We find ourselves in this mess today because of many international pressures, not the least of which is the value of the Canadian dollar and how it has escalated about 35% over the last couple of years. So there are lots of pressures, but we continue to work with the companies.

Mr. Hampton: Minister, you made a few assertions in your comments. You asserted that the cost of construct-

ing roads was downloaded by the NDP government. Do you have any documentation to show that?

Hon. Mr. Ramsay: Yes, I do, and I can pass it over to the member.

Mr. Hampton: I'd be pleased to see that documentation.

You asserted that it's the American dollar that is the problem. In fact, the American dollar has moved up and down, and you can put it on a graph over the last 60 years, since the Second World War. In fact, you can almost predict when the American dollar is going to be up in value and down in value. The forest sector has dealt with the relative increase and relative decrease in the cost of the American dollar repeatedly over those 60 years. So trying now to assert that it's the American dollar that is to blame holds no water either. The American dollar moves up and moves down.

What I wanted to ask you about again: You failed to answer the issue of electricity. We'll delve into the wood cost issue a bit more in a while, but this is what paper mills and pulp mills, especially in northwestern Ontario, want to know. In almost every case, they are surrounded by hydroelectricity dams, and they know that the cost hydroelectricity at those dams is about \$10 a megawatt, perhaps at most \$20 a megawatt. They're trying to understand why they're forced to pay \$80 and \$90 a megawatt for this electricity, which is so close by and which is probably the most affordable in the province, possibly the most affordable on the continent, to produce. Almost every one of the plants that I have mentioned—Norampac in Red Rock, Cascades in Thunder Bay, Abitibi-Consolidated in Kenora, Neenah in Terrace Bay—when they made their announcement, one of the points they made over and over again was that it is the cost of electricity that is causing their operation to become less and less economically viable. Can you tell us, please, how any of that was determined by the market?

Hon. Mr. Ramsay: Mr. Chair, I would like to advise the member that if he wished to discuss electricity costs, he should have brought the Ministry of Energy before the committee to do that. That is their jurisdiction; it's not mine. I have no authority over that at all.

Mr. Hampton: Minister, you were the one who in your answer asserted that this is all market conditions. You were the one who wants to go around northwestern Ontario making statements that you understand the forest sector and you're responding to the needs of the forest sector. So I asked you a question: "Tell me, what does the escalating cost of electricity in northwestern Ontario have to do with the market?" With every one of these closures, when they close, when they lay off hundreds of workers, when they decimate the local economy, they say repeatedly that it is the high cost of electricity. I'm asking you. You say that this is all market conditions. This doesn't look to be market conditions to me. This looks to be McGuinty government policy. You say you've brought down the delivered cost of wood. When I talk with people out there in the industry, that's not what they're saying. They're saying that the delivered cost of

wood under the McGuinty government is being forced higher and higher. From their perspective, this is not market conditions.

Two of the fundamental cost issues for the forest sector, the delivered cost of wood and the cost of electricity, are being forced up by the McGuinty government. You mentioned wages. No one I've talked to—not in Kenora with Abitibi, not Weyerhaeuser in Dryden, not Bowater in Thunder Bay, not Norampac in Red Rock, not Cascades in Thunder Bay, not Neenah in Terrace Bay—has mentioned wages. The only person who has brought up wages here is you, the minister of the McGuinty government.

Let's get back off the diversion; let's get back to the real issue. Industry says that under the McGuinty government, the delivered cost of wood is not coming down; it's going up. The other big cost issue: The cost of electricity under the McGuinty government is not going down; it's coming up. Industry is very clear: It's those two issues that are killing jobs and decimating the community. What are you going to do about those two things?

Hon. Mr. Ramsay: I'd say to the member that he needs to get his briefing notes caught up to last week's announcement. As I've just outlined, we are starting to bring down for the companies the delivered cost of wood. I've talked about that; \$28 million a year, year in and year out, is not chump change. That is, for the first time, a contribution back from the policy that you had initiated, where you had put 100% of the cost of maintaining and constructing the forestry roads on to the backs of the companies. I suppose they were able to carry that for a while, but it has come home to roost now. We see that that is wrong and feel that the people of Ontario, through its government, who own and control the forest, should contribute to that work. So we are lowering the delivered cost of wood. It is an issue, and while there are energy issues involved, such as the diesel fuel that's used to power the trucks to get the logs out of the bush and get the lumber out of the mill, and we can't control that, we can help them on those road costs. That's what we did last week.

0930

You said that all the industry is saying that it's electricity pricing that's causing all the problem. I don't know how we explain that in low-cost jurisdictions such as Newfoundland and Quebec we're having forestry operations close, and they have a low electricity cost. I guess Quebec is the lowest in the country, as is Manitoba. Newfoundland is very low, and yet the Abitibi mill in Newfoundland is closing. The government initiated discussions in Newfoundland with Abitibi and they have collapsed. Ours have not collapsed. Ours are very positive. The company is in a position now, as you know, that they're talking to the workers in Kenora, in your riding, to say, "We've had some successful discussions with the government; this is what we're proposing to transform this operation here," and they're looking for co-operation from the workers.

They've been able to come forward with a new plan for their plant in Kenora based on discussions with both the Ministry of Natural Resources and the Ministry of Energy in regard to their cogeneration proposal, which is part of what they're doing, and they're very pleased with the outcome of those discussions. You haven't seen the details of that because we are advancing, through these proposals and the discussions surrounding these proposals, energy policy that is yet to come out. As you know, the Ontario Power Authority this fall will be setting policy for industrial cogeneration, but we're not waiting for that. If a forest sector company comes to the MNR saying, "We've got a proposal," and it involves cogeneration, then we will make sure that the appropriate people are at the table for that company to discuss that proposal and to ensure that we have a successful outcome. So we're not waiting, and companies are coming forward and we're having very positive discussions about that.

I'd also like to comment on, because you keep mentioning it, Norampac. While the company had listed, as they did, several issues of why they were downsizing, in a private meeting with member Michael Gravelle, the company said to Mr. Gravelle, "Even if you gave us electricity at zero cost, we could not keep this plant operating." That tells me there's something fundamentally wrong with some of our companies, where they haven't renewed themselves; they haven't reinvested. There are lots of reasons for that, so I'm not going to point any blame for that, but we need to say that now is the time for restructuring. That's what the industry told me in their competitive council report, and we've responded to that with a program that's going to help that restructuring happen so that we have the most modern industry in the world.

The Chair (Mr. Cam Jackson): Thank you, Mr. Hampton.

Minister, you now have up to 30 minutes to respond to the opening statements of both the official opposition and the third party. We're in your hands in that regard. At the end of that, we will begin a rotation for questions and answers.

Welcome back. I'm pleased to see you've arrived back in Queen's Park with your windshield intact.

Hon. Mr. Ramsay: Thank you very much, Chair. I very much appreciate your co-operation on Thursday, when we did have our incident on the plane that made it impossible for us to get to Toronto and to estimates, which is a very important part of the legislative process. I'm very pleased to be here to attend estimates, and that you and the committee had worked out a proposal so that you could carry on and keep on schedule.

I'd like to very much thank my deputy, Gail Beggs, and the rest of our staff for stepping up to the plate. I felt sorry for Gail having to read a political speech, because that's what the minister gives. We put her in a very uncomfortable position, and I felt badly about that, because I have a great sense of the separation of the political side of this business and the civil service part of this business,

that we're a team and that the civil service is here to serve the government in power, regardless of what political party it comes from. So I very much appreciate everybody stepping up to the plate so the process could continue, and thank you for the patience of the committee.

I wasn't here for the Conservative critic, Norm Miller's, comments; I've seen and been told about them. I say to Mr. Miller that I know he has a direct interest in these issues as he represents a riding, Parry Sound-Muskoka, that, if it wasn't for the lakes, would be totally covered in forest, and that he has the very same issues on a day-to-day basis that I do, representing a northern riding, and is very much interested. I'd like to certainly congratulate him for being named by his leader the critic for the Ministry of Natural Resources. I know Norm has a great understanding of the issues, and I'm going to enjoy working with him.

What I want to respond with first, I think, is basically what we've been talking about and what, quite frankly, has been first and foremost on my mind over the last few months; even a year, I'd have to say. A lot of my focus and a lot of our staff's focus has been on the forestry sector. This is a sector that is very important to the province of Ontario. I look at a lot of my colleagues around the table here who maybe think that the forestry sector is primarily a northern Ontario industry, and that's wrong. There are 88,000 direct jobs in the forestry sector, and only 24,000 of those jobs are in northern Ontario—very fascinating.

This point was really driven home by the Northern Ontario Municipal Association, which had initiated a fabulous campaign here in southern Ontario that culminated at the Association of Municipalities of Ontario's AGM in Toronto. It was basically an education campaign for all the municipal leaders of this province to point out to them how important this sector of the economy was to them. Hazel McCallion, the mayor of Mississauga, was very surprised when AMO pointed out the thousands of jobs in the forestry sector that are in Mississauga, for instance, and Mayor David Miller likewise, in Toronto, when it was pointed out to him how many forestry jobs there are in Toronto.

While we do much of the primary work in the north, much of the value-added and finishing work is done in southern Ontario. As I said, the vast majority of the jobs are in the south. So they're very important to municipalities right across this province. I applaud NOMA—and I'll use the acronym now for that northern municipal association—for the work they did in educating all of us across the province on how important this industry is. It's very important to this province.

But we have seen, and it became very obvious at the beginning of my second year as minister, that this sector is in trouble. I have used, as the critic has, the word "crisis," and I don't shy away from that word. This industry is incredibly challenged, and it became very quickly apparent that the only way to address this would be to bring the leaders of this industry together around a table with union reps and municipal reps, because, as the

critics have pointed out, so many of our communities are so dependent upon this industry for their viability—in fact, for their existence. There are some communities that are totally dependent on the forest sector for their economic viability. So it's extremely important that we, as I did, bring together all the people who have an interest in this industry. We reached out to First Nations, to technical experts, to financing experts, so that we really got a well-rounded view of what the problem was. That was the first task I gave them: "Find what the problem is, what the challenges are."

0940

Number two, and more importantly: "Give me the recommendations that we can start to work with you on to start to turn this around." And that, we're doing. As you saw in June, when we released the final edition of that report, I announced how we were moving on some administrative changes, but at the same time we were bringing forward a \$350-million loan guarantee program. This program is in place and is up and running.

It was just on Thursday that I announced what I call phase 2 of this package, and that is continuing with assistance to the industry so that they can reposition themselves for the new economic challenges that face them. What we saw on Thursday from the McGuinty government was a \$330-million package that comprised a \$150-million prosperity fund. This fund can piggyback upon the loan guarantee program and give grant assistance to companies that are investing to transform their companies.

The areas of particular interest that the industry pointed out in my competitive council report were value-added operations. I'd like to talk about that for a minute, because this is a phrase that's easy to bandy about, to speak about, but it's very, very important, and it's more than just a fancy phrase; it takes us to the heart of where we started in northern and eastern Ontario in the forest sector.

Forestry, up till the last 25 years, has been driven by a culture of what I call cut-and-saw. We saw the forest as a repository of two things: lumber—the first value-added product that ever came on the scene—and paper. But lumber was basically it, and so we cut trees, we sawed them into lumber and we shipped them throughout this country and into the United States. We really have to start to move away from just those primary industries and start to do more than just talk about investing in producing a more value-added product.

You only have to look around the world to see a very small country like Sweden—you could fit about two and a half Swedens into Ontario—and they looked, 50 years ago, at their industry and said, "This is not sustainable. We only have so much forest. We have to find a way to sustain our population, to add more value to that product." They realized it very early because they had a small land base, because they were energy-challenged, because they had no oil, they had no gas, they had no coal—none of the resources that North America has taken for granted. They reinvented their industry. So they went through a transition a long time ago.

We've only gradually done this. Companies have moved, over time, and added new products to the mix. We've seen on the straight wood side, 25 years ago, the introduction of what we call oriented strand board: panels made up of chips of wood. With this technology, we've been able to utilize species that never before had any industrial use. So that has allowed us to get into the hardwoods. Primarily, the sawmilling industry is dominated by the conifers: spruce, pine and fir. Those are the lumber types that are in high demand for house building. But now we've been able to expand that and start to use other species and add value from what we used to call "weed species" in the forest.

Paper was around at the beginning of the last century. It primarily started in towns that had the word "Falls" at the end because you needed electricity, and it came in the days before we had the province wired. When maybe a town in southern Ontario wasn't wired for electricity yet, there would be in northern Ontario a pulp and paper plant fully lit up with electrical equipment because it generated its electricity from the source, from the falls that it sat beside.

Over that time, the industry has transformed itself and expanded from, say, newsprint, which was the first paper product in demand, to all the business papers that are in demand, to the thin-coated papers which are still in heavy demand and where I think we're going to see some of our companies transitioning. Those thin-coated papers, by the way, are for commercial flyers that you see in newspapers, for supplements and for catalogues, because they can hold the colour inks better than newsprint can. What we're seeing now is a transitioning into those products.

We're also starting to see brand new products in value-added. I was referring to oriented strand board a few minutes ago and how 25 years ago that technology was used just to make panels, which are in very high demand every time a hurricane happens in the south or a war happens and building materials are in high demand. Oriented strand board is right up there and is now a commodity like any other in the world, and garners a very high price today. Our oriented strand mills are money-printing companies, if you will, because they are making a lot of money and great profits. Just to let you know, that affects our royalties too, so the people of Ontario—and rightfully so—share in that wealth.

Now we're seeing that technology being applied to dimensional lumber, so now you can take a weak, not-so-strong fibre tree, even to the point of a balsam poplar now, and have it chipped up, mixed with other species, made into huge panels and then cut into lumber. So now you can have engineered lumber out of species that would never have been considered to be made into lumber. This wood is in high demand.

In the leader of the third party's town of Kenora in his riding, there's a company called Trus Joist, which is one of the leaders in the world in this type of product. We're all very proud of that. They continue to produce a commodity that's in very high and growing demand. This product is five times as dense as spruce lumber. The

American market especially looks to this product for framing door sills and window sills as well as kitchens, because this stuff is so sturdy. It doesn't move or warp, and once you frame a kitchen with it, then you can bring in the cabinetry people, who are very expensive, put some very expensive add-ons into a kitchen and know that it's not going to move. This new type of product, which we never heard of five or six years ago, is in high demand, and Ontario is a place where some of this is being produced.

We have to continue to move in this direction. We have a small company—and a lot of them are going to be small companies—in Hearst called Industries LacWood. Just this spring they secured some contracts with Ikea, the company that we started to talk about when Sweden wanted to reinvent themselves. So now we're getting Ontario companies finally starting to make component parts for one of the fastest-growing furniture retailers in the world.

This is where we need to be. This is where we need to position ourselves. We have to move beyond the culture of cut-and-saw and move on to value-added. We have a program in place now that will help our companies transition themselves to this.

I say to the members that we, through this transition, will not be able to save every job in the old industry. But as we move through and see the changes in sawmilling, which means fewer sawmills—very much like what happened in agriculture, where now you don't see a dairy in every rural town like you used to, it's going to be the same in sawmilling. You're going to see large, regionally based sawmills working three shifts a day, still a third the size of the largest mill in British Columbia, but that's as big a mill as we can get in Ontario because of the nature of our forests. So we'll see these regionally based sawmills.

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We'll see pulp and paper mills maybe reducing the number of machines, possibly changing the product line in those machines, designing themselves so they have more flexibility, alternating between softwood pulp and hardwood pulp so they can basically be more market-responsive and produce product that the market demands. That's the future of paper.

We're going to continue to see oriented strand board. There are probably still the wood resources available in Ontario for another one, if a proponent came along—there's certainly more demand—or that could be converted into one of these dimensional lumber mills. That's a possibility. But where the future really lies is getting back to what I mentioned about Industries LacWood in Hearst; it's a mill with 40 to 45 workers. Those value-added industries, at 40 or 50 or even 30 workers, are very labour-intensive. There's a lot of potential for growth there, and that's where the future is going to be.

The future is also going to be—I see the NDP critic has returned—for towns like Opasatika, where they now have a mill that's become available to the town because of a closing that was very controversial. We have under-

utilized species in northern Ontario. Basically, when it comes to our spruce, our pine and our fir, everything is really allocated. The licences are issued, the companies have their allocations and there is no spare wood. In fact, over the next 10 years, we will see a gradual decline in the availability of wood as we pay for the sins of our past and the poor job that was done in regeneration in the past. In the last 50 or 60 years, we have done a much better job on that. So after we get through that, we'll start to see a gradual uptick in the availability of spruce, pine and fir.

But we have other species out there that have not yet been full utilized. While the hardwoods are now being utilized in OSB, as I mentioned before, we have species such as tamarack, which is a conifer but very hard and has a very straight grain. I've seen producers in Scandinavia who not only produce themselves but bring in from Siberia flooring that is in high demand. We have a very mature stand of tamarack throughout the north—in the west, they call it larch—that is available to make value-added products. These mills won't be high-volume commodity mills like our big sawmills, but we have the opportunity of using wood such as that to create jobs in very labour-intensive operations, unlike the mills that just spit out two-by-fours and two-by-sixes—it makes your head spin to see how fast these plants can put out millions of board feet. That's the future.

In the end, as we get through this transition, we will be able to retain a very strong, buoyant and healthy industry throughout this province, but it will look different and will look the way I think I've expressed to you today. Right now, we're in a very difficult time of change and transition to make that happen, but I want to assure the members and the people of Ontario that the McGuinty government is there to work with the companies to make sure that transition happens.

The Chair: Thank you very much, Minister.

We have completed the prescribed rotation. We're now going to begin questioning. As members are aware, because of scheduling challenges, Mr. Miller has undertaken about 50 minutes, so I think we will now move to the third party. We'll do 20-minute rotations, if everyone is agreeable. That should allow us to complete by 12 for a recess until 12:30, and finish the estimates today.

If I have concurrence, I would like to recognize Mr. Hampton. Thank you.

Mr. Hampton: I have some follow-up questions, Minister—your deputy was kind enough, when you weren't here last week, to step in. I want to go back to the \$350-million loan guarantee, because I asked the specific question, how much has been dispensed? Earlier, you tried to say to us that this was all moving forward. But what the deputy told us is that the formal process for the loan guarantee program won't be launched until later on in October. What you told people in the industry in May was that you were taking immediate action.

During your so-called immediate action, hundreds of other workers lost their jobs and the economy of northern Ontario lost hundreds of millions of dollars of economic

activity. Can you tell me why, while people were losing their jobs, while communities were losing hundreds of millions of dollars of economic activity and while you promised immediate action, you still don't even have a formal launch; you still don't even have an application form for the loan guarantee program?

Hon. Mr. Ramsay: As I said before to the member, not one proposal from any forestry company has fallen through the cracks. We said we had a program in place and there was more to come, and that we would be launching the full program, as I talked about, up to phase 2, by the end of September, which we did. But any company that had a proposal and needed to make a decision as to the future of their plant and came to us, we have engaged in discussion. On the two I mentioned, I'm very positive about the outcome of those discussions.

You were aware, as the company has made public to their workers in Kenora, that Abitibi is satisfied enough with the discussions we've had—based on the framework of phase 1 and phase 2, both the loan guarantee and the prosperity fund, and discussions with the Ministry of Energy—to talk to their workers about their proposal to garner the reaction of their workers in Kenora.

Whether an application form is ready or not, or whether there's an official launch of the program yet to come in another 10 days, any project proposal that has been brought to this government has been dealt with and in a very positive way.

Mr. Hampton: I'm well aware that the companies are very desperate. I mean, they'd talk to almost anyone. I'm also aware of what you said five months ago: \$350 million in loan guarantees and immediate action. What I know is that five months later, after hundreds of jobs have been lost, after communities have been decimated, after hundreds of millions of dollars of economic activity has been lost in northern Ontario, somebody who came to your ministry still wouldn't know what the rules are. You still don't even have a formal application process for communities that are desperate, for workers who are desperate. I wonder how you describe "immediate," when you talk about a crisis and five months later somebody who comes to your ministry wouldn't even know how to apply to get the \$350 million in loan guarantees.

I asked a few minutes ago—I assume you've got some documentation of your assertion that road costs were downloaded by the NDP government. I'd like to see that documentation, and maybe you could share it with everyone in the committee, please.

Hon. Mr. Ramsay: We can do that. If the clerk can make some copies of this, I'd like to distribute this to the world.

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Mr. Hampton: What I want to ask about again is roads, because in your announcement you mentioned \$28 million. In some of the press reports you've tried to assert that this is \$28 million for road construction. So I want to ask, is this \$28 million for road construction?

Hon. Mr. Ramsay: No. I never said that.

Mr. Hampton: Then what is it for?

Hon. Mr. Ramsay: Maintenance.

Mr. Hampton: Only for maintenance?

Hon. Mr. Ramsay: Only for maintenance of primary roads. Remember, you had downloaded the whole kit and caboodle on the industry, and I'm now chipping away at it. I'm starting with \$28 million, aimed at primary road maintenance.

Mr. Hampton: So this is not going to deal with the issue of road construction at all.

Hon. Mr. Ramsay: No, it's not.

Mr. Hampton: In that sense, industry, despite your claims and the claims of some of your members, is in no better position in terms of road construction after your announcement than before your announcement. They're still carrying the full load.

Hon. Mr. Ramsay: Well, a bigger cost of their delivered wood costs, of course, and the pricing for that is the ongoing maintenance. As you know, construction is a one-time expense, and maintenance is year in, year out. As you know, these logging trucks really beat up and damage these roads. Maintenance is very important. Making sure that the aggregate is available to the industry is also very important, and we're working at streamlining regulations when it comes to that. But again, this is starting to rectify the mess you put the industry in when you downloaded the total construction and maintenance costs to the industry.

We're now starting to say, "Do you know what? That was wrong. We think the crown has a responsibility to contribute to those roads," because they are public roads and we don't restrict access to most of those roads. A lot of hunters and anglers and people in the tourism business, government people and the companies going back and doing regeneration—these roads are used. They're part of the life and the economy of northern Ontario, and they're very important. We think we should be contributing to their cost.

Mr. Hampton: I'll just repeat my question: After your announcement, the forest sector is in no better position in terms of the cost of constructing roads today than they were before you made the announcement. Your announcement has nothing to do with the cost of building forest access roads.

Hon. Mr. Ramsay: I never said it was. We're helping them with the cost of maintenance of the primary forest roads. You're the guy who brought that in, by the way. You keep forgetting that.

Mr. Hampton: We'll deal with that assertion later on; I'm interested in how often you make the assertion.

Hon. Mr. Ramsay: You don't remember that you were the minister at the time.

Mr. Hampton: We'll deal with that assertion a little later on.

You want to say that this \$28 million for maintenance is really quite something. The fact is that many of the roads built by the forest sector are not primary roads or secondary roads. They're what we call tertiary roads. In fact, those roads aren't even maintained, are they? Most of those tertiary roads, after they're built, after the wood

fibre is extracted and after some forestry renewal work has been done, are to a large extent abandoned, are they not?

Hon. Mr. Ramsay: That's correct, and for a lot of good reasons.

Mr. Hampton: So you don't help with that at all. In fact, the money that you announced is not going to do a thing in terms of that issue.

Hon. Mr. Ramsay: Well Jeez, Howard, we're going to go back there in 80 years again to get the trees. Why the hell would we want to keep the road maintained every year? Of course you abandon those roads. You don't want people in there. In many of those areas, you want to regrow that forest and protect that forest from fire. In many of those areas, you don't want people in there because that's where a lot of fires can start. So of course you don't want to do that. Those last bits of road—you go in for the final bit, make your harvest based on your plans and get out. You want to basically regrow that whole area, the road included. That's the nature of forestry. I thought you understood that.

Mr. Hampton: I just want to go back to the comment that your assistant, Mr. Kissick, made when he said the largest single component in roads is tertiary roads. Your announcement isn't going to do a thing about the largest single component of roads for the forest sector, something which has a significant effect upon delivered wood costs.

Hon. Mr. Ramsay: Again, this was your policy that I'm trying to correct, one step at a time. You had downloaded all these costs: primary and tertiary road maintenance and construction, and secondary road maintenance and construction. I'm starting to redress that. I'm starting to help the companies by making sure that taxpayers' money, to the tune of \$28 million, gets directed to our forest companies, and that's what's happening.

As you know, this is one of the big costs of extracting wood, and they basically have a roads budget. They have all their breakdowns but they have a roads budget. We're contributing \$28 million toward that roads budget, which is going to help them, and that's year in and year out.

Mr. Hampton: I just want to be clear: In fact, the forest sector is no better off after your announcement of last Thursday in terms of the cost of road building than they were before the announcement.

I want to ask another question. Thank you, by the way, for this information, because what it shows is that the budget for roads stopped coming under FMAs in 1990 and was transferred to the Ministry of Northern Development and Mines and NORT in 1993. What it shows is that in 1993-94, a whole lot of roads budgets were taken up by the Ministry of Northern Development and Mines. Isn't that what it shows?

Hon. Mr. Ramsay: To some degree.

Mr. Hampton: Yes. That's what it shows. In fact, if I were—

Hon. Mr. Ramsay: In 1990-91, it was zero in total. In 1991-92—I forget who was in government; oh yes, it was you—it was zero.

Mr. Hampton: That's not what it says.

Hon. Mr. Ramsay: In 1992-93: zero right across.

Mr. Hampton: What it says—just to correct—is that the money under FMAs that was originally extended in the 1980s came to an end in 1990, and in 1993-94 it was negotiated that that would be picked up by the Ministry of Northern Development and Mines. That's what happened. I suspect that there was good reason for that, because it was about that time that the Americans started raising the issue of whether or not the forest sector was being subsidized in Canada. So in fact a whole lot of the road-building budget was picked up by the Ministry of Northern Development and Mines.

Hon. Mr. Ramsay: Here's the history: "Prior to 1991-92, government funding was directed at developing a roads network" that would do these things:

- provide access to harvest allocations;
- increase access for more efficient protection programs for fire and forest health;
- provide access for silviculture activities;
- be constructed for multiple-use purposes; and
- be open to the public and other users."

That was before you came to government. "Funding for road construction and maintenance was set provincially on a per kilometre basis and adjusted annually for inflation. Roads allocation funding peaked in 1987-88 at \$39 million. In the face of a high provincial deficit, the allocation for roads funding dropped to \$16 million in 1991 and was eliminated altogether in 1991-92." That's the time you were in office. "The elimination of roads funding resulted in the full cost burden for all crown forest access roads being transferred to the industry, including primary, secondary and tertiary roads."

Mr. Hampton: The minister is reading from a document. I would appreciate it if he would table that document with the committee, please.

Hon. Mr. Ramsay: Yes, I will.

Mr. Hampton: That's good.

What you leave out, Minister, is that in 1993-94 this funding was transferred to the Ministry of Northern Development and Mines and the NORT program. NORT and the Ministry of Northern Development and Mines picked up annual costs. What you leave out is that the Ministry of Northern Development and Mines budgets from 1993-94 on show not only government-funded access roads but show significant numbers of kilometres of shared cost with the forest industry. So to simply say that this was cut and not replaced is not accurate.

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Hon. Mr. Ramsay: No, you're inaccurate. In fact, if you remember those programs through the Ministry of Northern Development and Mines, these were economic development roads, a program so that when a mining company came forward and said, "We think we can develop a mine out here in the middle of the bush," we had a program at that time, you had a program, as the government of the day did. I believe that program continues, where the Ministry of Northern Development and Mines will help contribute to the cost of constructing a

new road into a mine so that the companies have access to the site, the workers have good access to the site, because getting access to these resources is very, very important. These weren't the day-to-day FMAs, as we used to call them in those days, which were forest management agreements, now sustainable forest licences. This has nothing to do with logging roads and money paid to forestry companies. It's different. Also, as you can see, it's an extreme cut anyway. It's anywhere from a quarter to a third of what had been put forward before in total, and again, it was directed more to mining through the proper and appropriate ministry, northern development and mines.

Mr. Hampton: Again, I'd appreciate it if the minister would share that document with the committee and give us the source of that document, please.

Hon. Mr. Ramsay: Absolutely.

Mr. Hampton: I want to read for you the estimates of the Ministry of Northern Development and Mines for 1996-97. This is what it says: "The resource access roads program provides funding to the Ministry of Natural Resources for the construction and reconstruction of forest access" roads. Again, from the Ministry of Northern Development and Mines estimates in 1997-98, and again talking about the access roads, shared cost with private sector, 215 kilometres: "Providing financial support for the construction and reconstruction of forest access roads." What you simply want to make out as a cut was in fact transferred to the Ministry of Northern Development and Mines. In fact, road building went on through 1993, 1994, 1995 and 1996.

In any case, Minister, let's just take you up on your figures. Let's go to what you announced: \$28 million for road maintenance. We're told that the overall cost—in fact your ministry officials say that the overall cost—is about \$130 million a year. That's what it costs for road construction now. So do you think \$28 million is really going to make a big difference, when industry now has \$130 million a year in road construction costs?

Hon. Mr. Ramsay: I think it's a significant contribution. I don't think the \$28 million is chump change, especially when I know that it's the taxpayers of Ontario who are contributing this. We've made a very important decision: taking money from taxpayers—the residents and citizens who contribute to the general revenues of this government—to say that we will now transfer to one particular sector of the economy, our forestry companies, \$28 million, not once but year over year, as a contribution to their costs, that you downloaded to them, of maintaining primary roads. These roads are vital to the companies to access their timber, and this one step in helping them drive down, as we all want to do, their delivered wood cost.

Mr. Hampton: I just to read for you the 1994-95 estimates briefing book of the Ministry of Northern Development and Mines: "The resource access roads program provides funding to the Ministry of Natural Resources for the construction of forest access roads for resources planning and management," and for road upgrading. Again from the 1994-95 estimates: "The On-

tario government cost sharing with the private sector under the resource access roads program built 205 kilometres of forest access roads in 1994-95." So, in fact funding of forest access roads continued as shown in the estimates. As for the documentation that you're producing, I don't know where it comes from, but it certainly isn't in the estimates.

I want to go back to what many people in the industry said. They said that the delivered cost of wood is now \$55 per cubic metre, and they said that your announcement might—might—result in a reduction in the delivered cost of wood by \$1.25 per cubic metre. When the cost of delivered wood is \$20 or \$25 per cubic metre higher in Ontario than outside of Ontario, do you think that reducing it by \$1.25 per cubic metre is really a significant achievement?

Hon. Mr. Ramsay: I think it's a substantial contribution to the companies. Again, you've just picked on one component of delivered wood cost, and it's a big one, obviously: the maintenance and construction of roads. The high cost of diesel fuel, which we don't have any control of, is driving up that cost.

But you're forgetting the other part of my announcement last week: By uploading something that the previous government had downloaded to the industry, that being the forest inventory, that's also going to drive some savings in delivered wood costs, first of all, at \$10 million a year, year in, year out. So now we're talking \$38 million in total to the industry. We are helping them to reduce their costs by a taxpayers' contribution of \$38 million a year. Quite frankly, I'm very proud of this because, unlike your downloading of the road costs, where it was a download and put a cost on them, I was very concerned about the principle of downloading to forestry companies the responsibility of basically keeping inventory of the trees, because they're our trees. The people of Ontario own those trees, and I'm a temporary steward, as you have been, of those trees, and it's a great honour and a privilege. But the people of Ontario should keep track of their resources. That was downloaded to the companies. We're uploading that responsibility back to the Ministry of Natural Resources. It's back in the business of producing, maintaining and distributing the inventory of our vast and wonderful forests across this province. That is going to help reduce their costs also. But I think the principle of it is very significant.

We're now going to be using the very latest technology. Some of these technologies are called lidar, which are able to take photo impressions of not only the forest canopy but through the canopy of the forest to the land. Companies will be in a position now to better plan their road construction and reduce road construction costs so they won't have to send out people on to the ground to check if there is a waterway there, a creek, a river, a tributary: "What are we going to need?" They'll have accurate information at their desk in order to save money planning, building and constructing these roads. That's also going to drive down the cost of delivered wood.

The Chair: Thank you very much, Minister, and thank you, Mr. Hampton.

I'd now like to recognize Ms. Di Cocco.

Ms. Caroline Di Cocco (Sarnia-Lambton): I'd like to start off by saying that the minister knows that I live near the Great Lakes, of course Lake Huron, and the St. Clair River.

Hon. Mr. Ramsay: I've been to your office in Sarnia. It was great, a beautiful view.

Ms. Di Cocco: Yes, I know you were there, and it is a beautiful view. It's right on the river. You can see the United States and the bridge and the lakes. It's a wonderful area.

One of the questions that came up that we've been dealing with in regard to the Great Lakes is water taking, or the possible diversion of water in the Great Lakes. It's a huge concern because, as you know, the more we tamper with these aspects—there's always a grave concern. I know that there have been in ongoing negotiations that the province has been involved in. I'm actually asking, Minister, if you could provide some type of an update as to how they have been proceeding and where we're at with these negotiations.

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Hon. Mr. Ramsay: Yes, and thank you for the question. This has been a big interest of mine. Shortly after we became the government, ministry officials presented to me an agreement that had been negotiated between the eight neighbouring states and Quebec and Ontario in regard to the Great Lakes called the Great Lakes Charter Annex. The charter had been established as a result of a water-taking permit that the previous government had issued to a Sault Ste. Marie firm that would have allowed tankers to extract water from Lake Superior and take it to Asia. There was a great uproar about that in this province and in the neighbouring states. And what's interesting to note—because a lot of people feel, "Oh, the federal governments on both sides should get involved," and I'll talk about that in a minute—is that our neighbouring states, by and large, feel the very same about the lakes as we do. They understand the importance of those lakes to the environment, and especially to the economy and the recreational ability and tourism potential of their jurisdictions. So in a lot of cases, we are of like mind. But when I saw what was tentatively being agreed to in the annex to that charter, which was the next step, I really felt that we could do better.

What that had proposed was that they would cap the size of diversions but not the number of diversions. I felt that wasn't good enough, because in Ontario, as you know, the policy is "no diversions." We have to understand what a diversion is: We take water out of the Great Lakes all the time, but 95%, 96%, 97% of that water we put back. We borrow it. We borrow the use of it. We use it in our households, it goes through the system and it is returned. What we're talking about here is taking water out and not putting it back—in fact, dumping it into another watershed—and to me, that is wrong. By doing that, you're not protecting the integrity of the Great Lakes watershed, and that's what this is about.

I felt strongly about this, and I was concerned. Ontario is now changing its mind and saying, "Well, this tentative

agreement for this charter annex, we feel, is not good enough." I tasked our negotiators to go back to Chicago and to renegotiate that. I said, "You can just use the excuse that the government's changed, so there's a new thinking here in Ontario and we think we can do better." Quite frankly, I thought we could do better with those neighbouring states too.

As it turned out, by and large we've got a better agreement before us. What we've had is a series of public consultations with this better agreement. There's still some fine tuning to do. Even a week ago, our officials were down in Chicago, and there's going to be another round of talks coming up in the next few weeks also, because we want to get this resolved. But we're very firm in our position that there shouldn't be diversions.

One of the aspects of the renewed potential agreement is that in some of those states where they've got communities that straddle a watershed—part of that community is in the Great Lakes watershed, part of that would be in the Mississippi, a river watershed—they could use some of the water on the other side of the Great Lakes watershed, but they'd have to bring it back to our watershed. We were hoping we'd have an agreement with that, and we know that would be limited to only a few communities. So we're still working out the fine details of how we could accommodate some of those communities that are 12 miles away and can see Lake Michigan, yet they can't take a drop of that water. We'd like to find a way to accommodate that and bring the water back.

There has been some discussion about trading—exchanging—water. "OK, what if you allowed us—because we're only eight or 10 miles away from the lake—we'll take some water here and we'll give you some water from another watershed?" The concern about that is invasives. Right now, we have 161 invasive species established in the Great Lakes watershed, primarily coming from tanker ship traffic. Boy, we don't want to err on that and, just because we want to keep the quantities the same, say, "Yeah, throw in some water from somewhere else." We don't know what's in that water because it comes from another watershed. We really want to protect the integrity of the Great Lakes watershed. We take this very seriously. We've got a dedicated team of negotiators, and we continue to work at it.

Ms. Di Cocco: By the way, when you were down in my riding, if you'll recall, we had a meeting with a number of the conservation and wildlife groups there. The late Art Teasel was one of the gentlemen who attended—he's passed away since then. But they've amassed hundreds of acres of green space that they've maintained. They've done it with very, very few dollars, but they've done it because they believe we have to start preserving green spaces. He and his group went out, and I believe it's at least a few hundred acres that they've done.

One of the questions asked was that if someone buys, let's say, a treed lot or forested green space or just green space and wants to preserve that as green space, what

incentives does the government provide for people who want to invest their own money in buying up properties but leave those properties for posterity to be maintained either as a treed lot or as a green space? It goes for groups as well. I believe the question was asked at that time. I wasn't aware of whether there were any initiatives. Along that line, I'd certainly like to hear from you what the government is doing when it comes to incenting or helping people to maintain or preserve green spaces as well as treed lots and so on.

Hon. Mr. Ramsay: This is a great question, because it's been a big interest of mine in looking at southern Ontario. I see the tremendous forest that historically was there and how we've basically cleared that and now how important it is to work in southern Ontario to retain as much of our green and natural spaces as we can. You know that the greenbelt was part of that; we added one million acres in the GTA. But I look right across southern Ontario, down in your area in the southwest and eastern Ontario, and what can we do? Your question is right on, because unlike with, say, a lot of the east and most of the north, where basically 86% of our province is crown land and so our ministry has direct authority over it, in southern Ontario only about 3% of the land is publicly owned. So our challenge is great because we have to work in a co-operative way with property owners.

We have a suite of tools, and we've put them under a program called Natural Spaces, where we've got incentives for private property owners to be good stewards of their land. Two of these programs are very important: You'll probably remember that in the last budget we talked about a conservation land tax incentive program, and then of course we've enhanced our managed forest tax incentive program. We think these two programs are really going to enhance the stewardship.

The conservation land tax program provides property tax relief to landowners who agree to protect the natural heritage values of their property, such as provincially significant areas of natural and scientific interest, which we call ANSIs, endangered species habitat and areas designated under the Niagara Escarpment plan. So for 2005, we actually have 14,700 properties, which amounts to 475,000 acres participating, mostly—again, this is in southern Ontario, so it's directed to those areas where it's privately owned.

MFTIP, as we call it, which is the managed forest tax incentive program, provides property tax relief to landowners who agree to conserve and manage the forested parts of their property. These can be looked at separately. If you have a farm with a large bush lot, your bush lot can be separately evaluated and come under the MFTIP program. It's estimated that MFTIP results in an increase in the timber value of private forests by an additional \$28.5 million a year because of the improved forest management required on participating properties.

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Other less tangible benefits, such as wildlife habitat, biodiversity conservation and carbon sequestration, are more difficult to quantify, and that's sort of one of the

values there too, because the more green space we have, of course, the uptake of carbon dioxide from the atmosphere increases, so another reason, especially in southern Ontario, why we should be looking at increasing our natural spaces. All that green material that grows every year is grabbing carbon dioxide out of the air, which is very important for global warming.

We think this is a great program. What's nice about it is this tremendous uptake. The public is looking for more and more of this. That's why we've expanded these programs into a full suite of tools that includes reforestation and other programs for southern Ontario and on private land.

Ms. Di Cocco: Thank you, Minister. I know that it's always an issue. We take for granted the wonderful spaces that we have in Ontario. I think I learned at that meeting actually that—I never thought of it—southwestern Ontario was one of the largest clear-cuts in the—

Hon. Mr. Ramsay: Who said that?

Ms. Di Cocco: I think it was stated at that meeting. I believe you said it, actually. I didn't look at it like that. Always living in a place like Sarnia, where of course it's all this wonderful farmland, you don't think of it as once being a forest and being clear-cut. So anything that can be done, as we develop and grow as a province, to be able to maintain our green space and the integrity of our landscape so that it provides to us that oxygen that we need to breathe and so on, I think is certainly worthwhile.

I look forward to the next time you're able to come down to the area and I can learn some more about the work that's being done with the Ministry of Natural Resources.

I have one other very quick question. The shoreline of Lake Huron, there's always this call to put, if you want, water breaks or shoreline protection, I guess it is. What happens, though, is there's a consequence to doing that, because there's a whole shoreline there, quite a lot of miles of shoreline. Maybe you can just explain why we're giving that sober second thought to what this actually does to the lakebed.

Hon. Mr. Ramsay: Humankind, I suppose, is still tempted by the notion that we can tame Mother Nature. We've seen a history of this around the world, including in our province. So any time we see low water or high water, people come to the government: "You've got to do something about it." But these are all natural cycles. Waterways erode. That's how they grow. They start small and they get bigger. Shorelines erode, whether it's on the oceans or on our Great Lakes or any lakes or waterways, river valleys get larger, and that is a natural process. So we get tempted from time to time to intervene. You can get engineers together who say, "Yep, we can fix that problem." They can invent all sorts of different constructions to stop this or that. What you basically tend to do is transfer it down the shoreline and make it somebody else's problem.

You have to be very careful on these interventions. In this case, it's shoreline erosion, because that is the way of nature working. While we obviously want to work at im-

proving and protecting property values, we must always be cognizant, those of us who live on a shoreline—I live on a river and I've had erosion. I've had slumps, what they in the Clay Belt call slumping of the riverbank. It took out my road. That's what's going to happen. We have to be very careful. That's why we have to make sure we protect the habitat.

If you take all the trees away from your shoreline, you're going to get slumping. So again, that's why we have to look at habitat protection, and if we protect that, then we're going to protect areas like shorelines.

The Chair: That completes that cycle. I couldn't help but note that the honourable minister grew up as my neighbour in Oakville, so he may have some appreciation for the clear-cutting that went on in southern Ontario.

Hon. Mr. Ramsay: Thank God that Oakville was spared.

The Chair: As was Burlington.

Mr. Hampton: I just want to take you back again to some of the points you've been making. Can you or your staff tell us what document this comes from?

Mr. Bill Thornton: That's taken from MNR's financial information systems.

Mr. Hampton: OK. I just want to ask some detailed questions. For the period 1990-93, what you in fact say is "information not available," where would that information be available?

Mr. Thornton: As I understand it, some of the difficulties during that period dealt with the fact that there was a change in our information systems for financial accounting. There's been a lot of confusion around this subject, and I think what we need to do here is stand back and look at the big picture that this table tries to illustrate. You make a point, in that there wasn't just funding through the Ministry of Natural Resources; there was funding through programs in northern development and mines. If you take the five-year average in the period preceding 1990, the average funding from all sources, even including the federal government—you'll see a source in there from a federal resource development agreement—is about \$26.7 million. If you compare that to the end point of the late 1990s, 1994 and 1995, we're at about \$4.6 million. The point that I'm trying to make here—

Mr. Hampton: 1994-95, \$4.6—no, 1994-95 is \$7.7 million.

Mr. Thornton: Oh, I'm sorry. My point is that there's been a major reduction in the amount of funding during that period. We can debate the order of magnitude, but it went from—

Mr. Hampton: That's fine. I'm interested in where I would find this other financial information. It's bizarre that MNR would come before this committee and say that this information isn't available. That's very bizarre. Where would I find this other information?

Mr. Thornton: As I understand it, one of the difficulties is that our quoting structure changed.

Mr. Hampton: I'm not interested in the difficulties. Where would I find the other information?

Mr. Thornton: You'd have to try to get that from the Ministry of Natural Resources, and it would be difficult to do that because of changes in our accounting system during that period of time.

Mr. Hampton: Personally, I think it's unacceptable that MNR would come here and say, "We don't have information for these years." If MNR is going to come before this committee, I think they'd better reproduce all the numbers. What we need is an undertaking from the ministry to produce these numbers.

The Chair: You've articulated your request. I generally turn to the minister or to the deputy to ask a question in a straightforward manner. Are we able to receive the documentation that Mr. Hampton is seeking?

Hon. Mr. Ramsay: We will take the undertaking that the member is asking for and—

Mr. Hampton: I guess this—

The Chair: One at a time, please. Minister.

Hon. Mr. Ramsay: We will attempt to get those figures for you.

The Chair: Thank you very much.

Mr. Hampton: I guess the question I'm asking is, if MNR doesn't have it, who has it?

Mr. Thornton: We would have it. The difficulty is that because of changes in our accounting system and a different division being responsible for forest access road funding during that period of time, it may not have been quoted to that. We will do our best to try to get you those answers.

The other point that needs to be made here is that there's been a lot of confusion around the purpose of the money, the so-called NORT money, from northern development and mines. There's been a suggestion here that that goes exclusively to the benefit of the forest companies. I want to clarify that that's not the case. That money could be used for any access on crown land. It was frequently used to access cottage lots, for example, or remote fire bases and to maintain roads associated with the parks program and so on. So I don't want to leave on the record the suggestion that that money was focused entirely on the forest industry; it was not.

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Mr. Hampton: I'll quote again from what it says in estimates: "The resource access roads program provides funding to the Ministry of Natural Resources for the construction and reconstruction of forest access roads."

Mr. Thornton: And that's correct. They are access roads in the forest. They are not necessarily access roads that are being used by the forest products industry.

Mr. Hampton: OK. Minister, I want to take you back to this document. I want to take you to how the budget process works. The budget is ordinarily made in the spring of each year. Is that right?

Hon. Mr. Ramsay: From time to time.

Mr. Hampton: Well, as long as I've been around here, the budget is ordinarily made in the spring of the year. So the budget for fiscal year 1989-90 would have been prepared and presented in the spring of 1989, right?

Hon. Mr. Ramsay: Yes.

Mr. Hampton: The budget for fiscal year 1990-91 would have been prepared and presented in the spring of 1990, right?

Hon. Mr. Ramsay: Except I remember that there was a second budget that year, when the government changed.

Mr. Hampton: There was no second budget, but we can go into that.

Hon. Mr. Ramsay: Mr. Laughren made a lot of adjustments.

Mr. Hampton: I'm just asking you: The budget for 1990-91 was presented in the spring of 1990. In fact, I remember that budget. The Treasurer said that Ontario was going to have a surplus.

Hon. Mr. Ramsay: That was balanced. It was balanced.

Mr. Hampton: He actually mentioned a surplus.

Hon. Mr. Ramsay: The Provincial Auditor said it was balanced.

Mr. Hampton: My point is that the budget for the spring of 1989-90 would have been presented in the spring of 1989 by the finance minister, Robert Nixon, is that right? The budget for 1990-91 would have been presented in the spring of 1990 by the Minister of Finance, one Robert Nixon. Is that right?

Hon. Mr. Ramsay: In the spring of that year, yes.

Mr. Hampton: Now, according to your figures, some of which you say are not available, what it shows in 1990-91, the year that Robert Nixon—a wonderful man, Robert Nixon—

Hon. Mr. Ramsay: A great guy.

Mr. Hampton: Yes, the Minister of Finance, a long-time Liberal. It shows that you reduced the budget for roads to zero. Is that right?

Hon. Mr. Ramsay: Well, the important point here is that at that time, the policy did not change until your government took over and you decided to download the cost of the roads. What we're talking about now, and what you are debating, is based on a lack of information that I've given and undertaken to get to you as to what those expenditures were. But it was the policy of your government—and that was the fundamental change—to download the cost of maintenance and construction of the forestry roads to the companies. That was brand new, and that was a change.

Mr. Hampton: Well, notwithstanding your explanation, the budget for the fiscal year 1990-91 would have been presented in the spring of 1990. I remember that budget well. That budget became the subject of the election campaign that summer. But the budget was presented in the spring of 1991 by one Robert Nixon, Minister of Finance in the Peterson Liberal government, and what it shows, according to your own records, is that the budget for road construction was zero. Here's the document.

Hon. Mr. Ramsay: What it shows is that those numbers aren't available at this time.

Mr. Hampton: So a few minutes ago you were telling us that the NDP cut the budget. Now, when it becomes

apparent that it was the Liberal government that cut the budget, you suddenly say, "Oh, the numbers aren't available for that time."

Hon. Mr. Ramsay: The fact is, it was your government that cut that expenditure.

Mr. Hampton: This is about as worthwhile as your announcement earlier last week, when you tried to pretend you were doing something wonderful for the forest sector when in fact the delivered cost of wood in Ontario is higher than virtually any other jurisdiction, that's a very big cost item for the forest sector, and the cost of electricity is either the highest in North America or the second-highest in North America, the second-biggest item for the forest sector, and you haven't done anything about that. So your figures here are about as reliable as your figures last week. That's why it got such a negative reaction from not only the forest sector but the municipal sector, from labour leaders and even from the editorialists in Toronto, whom you've been trying so desperately to spin.

So tell me, Minister, since you cut the budget for forest access construction, as your own figures show, and since your input of \$28 million isn't for forest access road construction, what are you going to do to correct the mess you've made?

Hon. Mr. Ramsay: Well, your figures are wrong, and—

Mr. Hampton: No, your figures are wrong.

Hon. Mr. Ramsay: The average funding for roads during the five-year period from 1985 to 1990 was \$26.7 million a year. By 1994-95, the funding was \$4.6 million, and that was mostly through NORT. What we've just talked about was not exclusively for accessing trees by forestry companies. This was a general access road program, a good program by the way, so that you could build development roads, as we called them, so you could access new resource opportunities in northern Ontario. There was a substantial reduction in the road budget, from \$26.7 million a year through the years 1985 to 1990, down to \$4.6 million a year in 1994-95. So the funding in 1994-95 represented a reduction of over 80% compared to the five-year average to 1990.

Mr. Hampton: And it all happened in Robert Nixon's budget in the spring of 1990.

Hon. Mr. Ramsay: No, that's just wrong.

Mr. Hampton: But I want to ask you another question. This is a quote: "Tory highlighted road construction costs as one area where the province can act quickly. Forest product companies say having to pay for the entire costs of logging roads is onerous and unfair considering other people use them. Tory said the province should share in the cost of building and maintaining the roads."

"He admits that would mean reversing a policy created by the previous Progressive Conservative government under Mike Harris. Tory said the decision to have industry pay the full shot for the roads was made at a different economic time for both the companies and the province and should be revisited."

So even John Tory doesn't agree with your assessment. The figures you presented here show that if it

comes to cutting the money out of the forest management agreements, that happened under the Peterson Liberal government in the budget of Robert Nixon in the spring of 1990. What the NDP did in 1993-94 was actually put \$8 million back in. Then, when it comes to saying that the forest industry has to pay the full shot again, even John Tory says that that happened under the Harris Conservatives.

Since the information you've provided doesn't support your case, do you have any other information, because even John Tory doesn't agree with your assessment?

Hon. Mr. Ramsay: Well, I feel sorry for John Tory that's he's taking the blame for this mess that you brought, because it wasn't his government that downloaded these costs. If he wants to take the blame for downloading the forest inventory work, that's correct.

He's misinformed, but a lot of times we are misinformed in this business, and we all make errors. I'm not going to point fingers at him. We all make mistakes, and I make mistakes as much as anybody. He's made a mistake there, and that's fine. In fact, it wasn't until a while ago that I thought it was the previous government that had done all these downloads too, until I really started to look into it and saw that the policy changed during the NDP time.

We can debate this all day and all night, if you'd like. I think the point is that we've made the contribution back. We've said as of Thursday—and you have to remember it's retroactive to the beginning of the construction season this year—that we are going to flow this year, retroactively back to April 1 this year, \$28 million that companies had never seen for years and years back to them, to cover the cost of the maintenance of the primary forestry roads.

Mr. Hampton: Minister, I want to remind you that this is the documentation that you, David Ramsay, put before this committee. This is the documentation that shows that in the budget presented in the spring of 1990 by the Honourable Robert Nixon, Liberal finance minister, road construction costs paid for by the Ministry of Natural Resources and by the Ministry of Northern Development were cut to zero. This was your document, not mine. You presented it to the committee.

I want to ask you about the \$28 million that is not going to road construction now but will go to road maintenance. Will that be shown in MNR's capital budget?

Hon. Mr. Ramsay: Maybe I'll go to David de Launay to answer the technical question of how that's going to be expressed in the budget.

Mr. David de Launay: It's not clear at this point. We're still working with finance on how the new allocation with the prosperity fund and our new funds will come forward. It will certainly show in the books of the government and will likely be part of our capital as we tweek this for 2005-06.

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Mr. Hampton: So it will be shown as part of your—

Mr. de Launay: It will likely be, but we're still discussing with the Ministry of Finance how this will be shown.

Mr. Hampton: Well, where else would it be shown?

Mr. de Launay: We're now into accrual accounting, so the books of the government are looking at the finances of capital, both—we look at assets, we look at the capital expenditures. It will likely be shown in the Ministry of Natural Resources when we come to year-end.

Mr. Hampton: I ask my question again: Where else might it be shown?

Hon. Mr. Ramsay: Let me just clarify: We just haven't established the place where it's going to be, because it's new money. When we budgeted at the beginning of the year—as you know, this starts at the end of the old year and basically at the beginning of the calendar year, even though the fiscal year starts April 1—we hadn't received the report yet, so we didn't have in place what we thought might be the requirements based on this report. So that item wasn't budgeted that way.

This is new money that the government has brought forward in response to the competitive council report. One of the areas where the companies asked for relief is this particular line, and we decided on a \$28-million contribution annually toward the cost of maintenance of the primary road network.

Come back next year and we'll show you where we put it, but all I can tell you is that the money is there, the money is going to start to flow. They're going to get \$28 million fully this fiscal year, going back to April 1.

Mr. Hampton: Chair, I just repeat my question. I've heard a lot of verbiage, a lot of wordage. Where else might the \$28 million be shown?

Hon. Mr. Ramsay: Why don't you come up with suggestions? We can put it anywhere you want. It will be expressed in the government's books. It's going to be on MNR because it's flowing from our ministry, and once that's finally decided you can be the first to know. I think the important thing is that the industry is going to get the money.

Mr. Hampton: So it won't be shown under the Ministry of Northern Development and Mines?

Hon. Mr. Ramsay: No, it won't.

Mr. Hampton: OK.

The Chair: Mr. Bisson, three minutes.

Mr. Bisson: Thank you very much. A couple of quick questions before we get into my turn again. First of all, do you acknowledge that high electricity costs are a problem for the forest industry? Just a yes or no.

Hon. Mr. Ramsay: Sure, it's one of the costs, absolutely.

Mr. Bisson: Do you also acknowledge that the price of electricity has gone up under the McGuinty watch?

Hon. Mr. Ramsay: Yes, it has.

Mr. Bisson: Could you also agree, then, that it's logical, if industry is saying this is a huge problem, that you are partly responsible—I know it started under the Tories—for the hydro policy in this province?

Hon. Mr. Ramsay: The government is responsible for the hydro policy.

Mr. Bisson: As I sit down with industry, they're being pretty darn clear. They're basically saying that one of the key issues for them in being able to survive, especially on the pulp and paper side—and we'll talk about the other sectors of the industry as well—is electricity cost. They have come to you. They have asked you time and time again to come up with a hydro policy that would basically allow them to operate at a point that they can stay in business. Why is it that, in this particular announcement you made Thursday, you've done absolutely nothing other than talk about cogeneration—which we'll talk about later—to deal with the core issue of hydroelectric prices from OPG? Why did you not address that?

Hon. Mr. Ramsay: First of all, I have to disagree with the premise of your question. The industry has not come directly to me to ask me to change the electricity pricing policy, because they know—

Mr. Bisson: Jamie Lim from OFIA has never gone to you, Paul Dottori from Tembec has never gone to you etc., etc.?

Hon. Mr. Ramsay: They've never come to me to ask me to change the policy, because they know I don't have the authority to do that. As you know, I'm the Minister of Natural Resources and not the Minister of Energy, so I don't have the authority to effect that. They have come to me and talked to me, and rightfully so, about the cost of electricity being one of many cost pressures they have—as are all the cost pressures we've talked about today—as it is for every other industry in this province.

Mr. Bisson: That being the case, I come back to the original point that if we know hydroelectricity cost is a huge factor for industry, why is your government continuing down the path that it chose, which is an extension of the Tory policy, that's going to keep on seeing hydro prices rise and put these guys out of business? What's the upside?

Hon. Mr. Ramsay: What I'm doing to address that, as you know by the policy announcement last week, is assisting our industries, because our industries have the ability to produce their own power.

Mr. Bisson: They're not feeling assisted, Minister.

Hon. Mr. Ramsay: We've got the program in place, both in the loan guarantee and the prosperity fund, to basically give them that big boost to facilitate their own production of electricity and in fact make some gains, because usually what you see with the industrial cogeneration capacity is, that they produce more electricity than they consume, so they come off-line, and they also produce more power, so they put it into the grid. They of course will get credit for that, and that's been happening with the Abitibi discussions for Kenora. Abitibi is very pleased with those discussions to date.

This program is going to work. While you can take shots at it today, what will be important will be the announcements that will come tomorrow, and those announcements are going to come down the road.

The Chair: Thank you, Minister.

Mr. Bisson: The problem is they won't be here tomorrow.

The Chair: I appreciate that, Mr. Bisson. Now it's Mr. Milloy.

Mr. John Milloy (Kitchener Centre): Thank you, Minister, for your presentation. I'm surprised, as a southern Ontario MPP, at how much your ministry is active in our region. I have to admit that when I first got elected, I thought the accent was more on the north, but you're obviously involved in a number of aspects throughout the province.

I wanted to begin my questioning with the conservation authorities. My area has the Grand River Conservation Authority, which I think has been doing a spectacular job in the work it does in a number of communities along the Grand River. It has also made a real effort to reach out to MPPs—not in a partisan way. They hold a number of meetings and sessions with MPPs from all parties. I think all of us, as a group, have had a chance to learn about some of the challenges they're facing and also some of the environmental concerns in our communities along the Grand River.

The Grand River Conservation Authority is, of course, part of a network of conservation authorities. I was surprised to learn that 90% of Ontarians apparently live in a watershed managed by a conservation authority, so their well-being is of concern to most, if not all, Ontarians. You're aware of the wide range of functions that they're involved with: flood control, erosion control, flood forecasting and warning, and the list goes on. But at the same time, as well as having growing challenges around climate change and floodwater and water source protection, with all this being put on their shoulders, they're facing a real funding challenge. The previous government significantly cut their funding. In the meetings I've had, in a very constructive way, they raise the issue of the amount of tasks they're asked to perform and the fact that they're simply finding it harder and harder.

I just wondered if you could comment on the growing role of these conservation authorities and how you, as the minister, see them meeting some of these challenges with these funding pressures.

Hon. Mr. Ramsay: Thank you, John, for the question. Conservation authorities are very important entities in this province because, as you said, they basically manage the majority of the watershed, certainly in southern Ontario and some in the north. They're very important indeed. They certainly have suffered from big cuts in their funding. They basically used to be almost fully funded in the old days, and gradually the numbers have gone down to the point where, during some of the years in the last government, the transfers got down to \$8 million and \$7 million. So from \$7.7 million to the lowest, we've started to raise those to \$12.7 million in total transfers to the CAs. We're starting to buck the trend somewhat, but it's nowhere near how they used to be supported in the past.

We're working with them, and we've committed to undertake, in conjunction with other provincial ministries and Conservation Ontario, which is the umbrella group for all the CAs, an exercise to rationalize all the provincial funding to conservation authorities, to rationalize

the delegated responsibilities and the partnership agreements that we have. From this, MNR will work with Conservation Ontario to find some pragmatic solutions by which to better align our resources and responsibilities.

An example of that right now is one that you mentioned: source water protection. That, for obvious reasons, is a big priority of this government. Source water protection is very important, and we've learned that from the tragedy at Walkerton. The conservation authorities are the best entities available to really undertake that task because, by and large, as I've said, they are the stewards of our watersheds. We have transferred—and most of that has been at 100-cent dollars—monies, about \$28 million this year, I believe, through both MNR and MOE, to the conservation authorities to undertake these water budgets, which is the first planning in source water protection, to make sure that these sources are protected. They're our partners in this, and we're working with them. I know they're happy to be involved in this, so we'll be looking for more opportunities where we can partner up in the future.

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Mr. Milloy: One of the concerns, certainly with the Grand River Conservation Authority, and I imagine it's shared by all of them, is capital and maintenance. I just wondered where we stand on that issue.

Hon. Mr. Ramsay: In our transfer to them, we don't differentiate between their ongoing expenses and capital. The majority of their money now comes from their municipal partners, so, like for us, that's a cost pressure for them also. They have a big responsibility there because they are in control of many of the dams in the province. While dams do good work, they're potentially dangerous. They have to be maintained to do their job. If they fail, property and loss of life could be involved, so it's very important that this work continue. Again, we're looking at all the funding that the government does to conservation authorities to make sure we've got a good system in place.

Mr. Milloy: Thank you. I'm going to switch to another issue that I've heard a lot about from constituents, and we've exchanged some correspondence on it. That has to do with foster care families that raise orphaned wildlife. I've had the chance to meet a number of constituents who've been involved—some of them for many, many years—in raising animals, often baby animals, that are sick or have been abandoned. They really do yeoman service; they're quite devoted and passionate in terms of raising these young animals so they can be released later into the wild.

The reason I've received a number of delegations and have written you in the past is that your ministry brought forward a regulation that would deal with the care of these animals and the training of caregivers and the management of this system. When the first iteration of that came out this spring, those in the community who were involved in this practice pointed out that in their mind, it was going to curb what had been the practices in the past and be counterproductive.

I know there has been a back-and-forth between your ministry and groups involved with the raising or the care of these animals. I just wondered if you can walk me through the thinking in bringing forward these changes and the status of where we are right now.

Hon. Mr. Ramsay: Thank you for the question, John. Before I answer that, I want to correct the record. I guess we do differentiate between capital and ongoing expenses when it comes to conservation authorities. We've increased their capital budget to \$5 million.

This is an important subject when you talk about the wildlife rehabilitation centres. It's important because it now brings into play something that a lot of people would think would be beyond the scope of the Ministry of Natural Resources because it impacts human health. What I'm talking about is the disease of rabies. Many of the animals that these individuals who offer foster care or that these wildlife rehabilitation centres deal with are what the scientists will call a vector species for this disease, a species that can spread the disease. When we have these agencies doing the great work of rehabilitating these animals, we're very concerned about where they place them back into the environment because, as I said, these species have the potential to, and do, spread rabies, and we want to be very careful about where these species are reintroduced into the environment.

We've had a consultation, and in the next few weeks we'll be posting on the Environmental Bill of Rights Web site the proposed changes and have another consultation with these people. They do important work and we want to work with them, but on the other hand, we want to make sure that our wildlife and human health are protected, and rabies is a very serious disease. New York state and Ontario are the epicentre in the world of this disease, and Ontario has done a great job in holding the line on that. It's from employing this science and having tough regulations that we've been able to do that. While it would be nice, when wildlife is rehabilitated, to be able to put the wildlife anywhere, it doesn't make good scientific sense to do that. So we want to have some restrictions, in fact down to the point of a certain number of kilometres from where you found that particular animal to where you can reintroduce it into the wild. I know you've received a lot of comments about that, as have other members, but we want to do the right thing. I certainly want to be extremely carefully when it comes to protecting the health of wildlife and of course of human beings in this province.

Mr. Milloy: To clarify the chronology, just so it's clear in my head, the draft regulations were posted in the spring, you've had a chance for consultation with the different groups and now you're saying that in a few weeks there will be another set of regulations and that they will also have a chance to—I'm just trying to get clear on the chronology.

Hon. Mr. Ramsay: Yes, we will post the recommended regulations in a couple of weeks and offer another opportunity for people to comment on that.

Mr. Milloy: I'll switch to another topic. I was very interested in your answer to Ms. Di Cocco's question

about issues with the Great Lakes. As an aside, you spoke about foreign species, invasive species, that are coming into the Great Lakes, and you noted tanker traffic and things like that. I think all of us have seen news reports about zebra mussels and other species that have entered into our Great Lakes and are doing incredible damage to the system. You mentioned it in passing, but I'll ask you directly what the strategy of the ministry is in dealing with this issue.

Hon. Mr. Ramsay: We're very concerned about this. As I said, there are 161 invasives already established in the Great Lakes basin. It's really quite astounding. I use that quite often, not to be alarmist but to make sure that people have an appreciation of how vulnerable we are to invasive species. Of course, these are just the aquatic ones I'm talking about in our Great Lakes. We continue to do this as a ministry, but we also work with the Canadian Food Inspection Agency, which is in charge of fending off invasives from this country before they're established. Once they're established, they become the ministry's responsibility. The main point of contact for us, of course, is in trying to prevent the establishment, and you can see by the track record that we've been overwhelmed by these invasives. So we continue to work with the federal government. As I said earlier, tanker traffic is the main vector—spreader—of these invasive species. We continue to push and cajole the federal government to have stricter standards and better enforcement in getting the Coast Guard to basically stop these tankers out in open sea where they can make the discharges safely in saltwater before they come into freshwater. We're working in co-operation with New York state and all the neighbouring states, because they share in this also, and there's very good international co-operation in trying to put a halt to these invasives. This work continues, and it's basically an ongoing battle, if you will. I'll use that war analogy, because it is a war and we're being invaded, whether it be on land with some of the invasives that you see taking our trees or in our watersheds. We are working hard. In fact, tonight I leave for a resource ministers' meeting in Saskatoon, where this will be a prime discussion with all the resource ministers from across the country, with the federal government, and I'm certainly going to be pushing the federal government to do more, because it is their responsibility to stop the invader before it gets established. We need to do more there. We need to put more resources into this to protect the environment of Ontario.

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Mr. Milloy: Once they are established, are there strategies to try to get rid of them? It seems like an overwhelming problem.

Hon. Mr. Ramsay: Sure. It depends on what it is. You'll remember—I'm trying to think of the name of the eel now—the lamprey eel that came into the Great Lakes in the 1950s and 1960s; it was probably the first one that got the notoriety—and the tremendous program that the federal and provincial governments embarked upon in basically attempting to kill those lamprey eels as they

came upstream to spawn, using chemicals to kill those creatures before they could do any more harm. As you know, they basically took out the lake trout population from Lake Ontario and started to completely change the environment, which forced human beings to look at another predator fish. They landed upon a salmon, which might have been a good decision or might not have been a good decision at the time, depending on where that salmon came from. But it really had a big impact not only on the lake but on how we were going to make sure we got a top predator back into the food chain. That is one example.

Zebra mussels continue to spread through Ontario. They're a very difficult thing to stop, but we have agreements with the anglers and hunters association and other outdoor groups. We've had co-operation for programs where we've posted information notices at boat launches saying, "Completely spray the bottoms of the boats, because the larvae can adhere to the boats, which spread them into the next watershed. Thoroughly clean the bait tanks and all of that on the boat using chlorine" etc. We find partners on each of these, and we have programs and inform the public. That's the best thing: to have public co-operation to try to halt these invaders.

The Acting Chair (Ms. Caroline Di Cocco): I guess we'll move to Mr. O'Toole. You have about 11 minutes, I understand.

Mr. John O'Toole (Durham): Minister, I have about three broad questions. This is an area that I'm not terribly experienced in, but I appreciate attending these hearings and learning more. As the former critic on energy, I did meet with the major power consumers and did hear about the severe impact of the electricity plan, or lack of a plan, that you have for Ontario. It's certainly causing that industry a lot of hardship, as has been explored by Mr. Bisson and Mr. Hampton.

If you or your ministry have any kind of budget records or operational cost records from that sector, I'm wondering what percentage of their operating costs would be made up of the energy required to run those industries.

Hon. Mr. Ramsay: I'd refer the question to our ADM of forestry, Bill Thornton, to see if he has a general sense of that context for you.

Mr. Thornton: Generally speaking, if we look at the major power consumers in the forest products industry, it's in heavy manufacturing, such as paper. In that respect, it could be anywhere from 20% to as high as 30% of your production costs that are energy-related. Pulp, likewise, is very energy-intensive. At the low end of the scale would be sawmilling, for example, or the less energy-intensive oriented strand board.

Mr. O'Toole: I appreciate that, because in the respect that the question was answered by saying that it really belongs to the Ministry of Energy—I've certainly met with the power producers, as well as the consumer side, and I'm just aware of how vital this is to the economy of Ontario and how vulnerable the plan is for the next 10 years. I know the power authority is supposed to be

coming forward with a supply mix report, which is going to indicate a sort of strategy, but that's a long-term solution. It's probably five years at minimum—probably 10 years more realistically—to establish a reliable and firm baseload. But I appreciate that response.

Another sector in the GTA, specifically in my riding of Durham, is a fairly significant aggregate resource area for the province. I have a couple of questions. One is probably simpler: I believe that the municipality of Clarington and the region of Durham have passed resolutions requesting a review of the royalties paid to them on tonnage. Do you have any response that I could pass on to these municipalities? Because it is also an industry that's in some flux, if you will, both on the contract side for the haulers, on the price of gas—these are longer-term contracts on price per tonne. Perhaps you could give me a bit of feedback on the royalty issue and what kinds of dialogues with that important sector are going on with your ministry.

Hon. Mr. Ramsay: It's a good question, John, because this sector is an extremely important sector of the economy, and especially as it contributes to the building and development that is large here in southern Ontario, especially in the GTA. It's those pits and quarries in this area that really contribute to that.

I've had an extensive consultation with both the industry and the municipalities because, as you know, the municipalities probably are the direct recipients of complaints that people have. You probably get some too. I find that at the local level they're a big recipient of that because people worry about the beating up of the roads. A lot of that is not only the noise in the quarry itself, in the pit, but also the transportation of the trucks up and down the county roads, getting the material out of those areas and into the cities and towns.

I've had a consultation about that, and there's actually pretty strong agreement that royalties could rise. Everybody has their own reason for that. The municipalities would like to see a little greater revenue derived from the pits and quarries in order to help them with their road costs, because this traffic is tough on the roads. It requires more maintenance, so they would like to see some revenues there.

The industry itself would accept a modest increase in royalties also. They'd like to see—because, again, they're targets because it's an industry that generates complaints—the resources there so that we could move more quickly with the rehabilitation of the pits, which is very important and which we all want. When we talk about pits and quarries, we're really talking about borrowing the use of the land and transforming the land as we extract the aggregates. But the land can be put back, and a lot of times it can be put back into better uses and better functions for the environment. That sort of money would go toward that rehabilitation fund also. There is agreement, actually, and those costs will be passed on; there's no doubt about it. As the pressures build here, so will the costs of development. The material is important, but we have to do it in an environmentally

sustainable way, and that has a cost. At some time down the road we'll probably move forward with this.

Mr. O'Toole: Great. I have a couple of specific things in my riding. I want to make reference as well to the article in the Star this morning that highlights the importance of the aggregate industry to our economy; in fact, to our way of life. The article says that in the first year, a child or an individual would need 2,000 diapers, 225 litres of milk and 14 tonnes of aggregate. For each one of us in Ontario, in some form or another, through a paved driveway or for the building that occurs in Ontario, it's 14 tonnes of aggregate. It's a pretty striking number.

Actually, that leads to the greenbelt legislation, which in a broader sense I would say that I supported for the right reasons of quality of life, but it has a great deal of uncertainty. I just want to clarify on the record here that there's an application before the municipality of Clarington, in my riding of Durham, for the expansion of a pit permit at Kovacs pit. Some of your staff would probably be involved in, or at least aware of, that current application before council, not specific to that, but it underlines the importance of developing certainty in that sector. In that way, put clearly, there's going to be a lot of contest in terms of permitted uses in the greenbelt, and it's my understanding that quarries are a permitted use where there are appropriate hearings and public notice etc. How would that deal with an expansion of a current operation? Because a lot of what they do is actually bring materials to the site for crushing and mixing etc.; do I understand this correctly? It's better to have the minister say it than me, and that's what I want to use this Hansard for.

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Hon. Mr. Ramsay: This was a big discussion we had in moving forward with the greenbelt: How could we continue to accommodate growth within the area and at the same time protect our natural heritage systems? We decided that if we were to carry on with the aggregate business within the greenbelt, we needed a higher standard within the greenbelt area, so that's what we've done. We've done things like enhanced and accelerated rehabilitation over and above the average outside of the greenbelt area. We've enhanced the standards of that.

Of course, as you just alluded to, there's a public process involved through our Aggregate Resources Act that continues, whether it's in the greenbelt or not, to ensure that whatever is being proposed is viable. I can't, and shouldn't and wouldn't, comment on any specific application because, in the end, I'm the guy who signs the licences for all these pits and quarries. But we wanted to make sure that we had the balance in the greenbelt legislation of preserving our natural heritage systems while at the same time making sure that we did not start to make development too costly.

The other thing I look at, John, in the whole context of this: We could have said that within the greenbelt there would be no extraction. So now what would be the result? We'd be trucking in aggregates from afar. I look at the whole area in the total environmental context and

not just the green spaces. One could make the argument that long-distance hauling of aggregates into the GTA because we somehow choked off supply would be more detrimental to the environment. I think that would be more detrimental to the environment than enhancing the standards and continuing with the base standard outside of the greenbelt to make sure that our pits and quarries are environmentally sustainable.

Mr. O'Toole: Over the last number of years, there's been a great deal of attention paid to the forestry nursing stations, one of which was in my riding. It was the Orono nursery station, which was divested first by the NDP, and that never really happened; it got stalled. But eventually the divestment did occur.

Hon. Mr. Ramsay: Whose government was that under?

Mr. O'Toole: That was under a combination of governments. Technically, I think it was—

Hon. Mr. Ramsay: What are the names of it? I'm just not clear.

Mr. O'Toole: The names of the government were the NDP government, which initiated it, and there were four or five organizations—

Hon. Mr. Ramsay: Oh, a Conservative government. OK. I just wondered.

The Chair: Minister, did you want to give the answer or did you want to help frame the question? Let Mr. O'Toole finish. It's his last crack at it, and then the floor will be yours, I assure you.

Hon. Mr. Ramsay: I hear you.

Mr. O'Toole: On that whole discussion, our government developed an extremely effective exit strategy by developing the Orono Crown Lands Trust. In that, the government bequeathed the land as a crown trust to the community, which has an ongoing stewardship program, on which I want to compliment them. They do a wonderful job. I went to one of their open houses this summer. It's my understanding that it's integrated into a working, managed forest, as well as recognizing sustainability. It's my understanding that there's a fairly well developed culling or clearing or redevelopment—harvesting, if you will.

Could you bring me up to date a bit on the Orono situation? There is a fairly active and, I'd say, productive group of volunteers that operates under this trust. It's my understanding that there are a fair number of trees that are going to come out of there, and there will be lots of calls and complaints or misunderstandings. This would be a helpful time and format to make sure that it is managed under natural resources direction, I would think. They've had a consultant come in and evaluate the forest and do all the stuff.

Hon. Mr. Ramsay: I'll just say very briefly that I'm going to refer the question so that we get a detailed answer. These trusts are great mechanisms where you involve the public on the stewardship programs, and this is a good example of it. To give you more details, I'll refer the question to Bill Thornton, our ADM for forestry.

Mr. Thornton: Thank you, Mr. O'Toole. I think you raise a good point here in terms of the adjustment that was made following the divestiture of that Orono nursery.

Just a little bit of a backdrop there: We removed a number of nurseries, as you know, from our control and put them up for sale. In some cases they remain as a growing concern and in others they don't. The community of Orono in this case stepped forward and did a very good job of making that adjustment. I'm not personally familiar with all the operations of the trust that's now on that site. Like you, I've heard good things in terms of how the community has made the adjustment following the closure of that tree nursery. I can't speak to the specific question of trees being removed. I would say, though, now that the land is no longer in the purview of the province, it's really a matter for the municipality to address. In some cases—again, I'm not personally familiar with the authority of that municipality—they have the opportunity to pass tree-cutting bylaws that may place some restrictions on that. So it's something to look into.

The Chair: Thank you, Mr. O'Toole. I'm now required to—

Mr. O'Toole: I'd just like to put two questions with respect to that on the record.

The Chair: On the record? Very good.

Mr. O'Toole: One of them is on the Orono crown lands. How much do we pay in PILs—payments in lieu of taxes—on that property, because I believe we do; and is the ministry involved in the current redevelopment project that I made reference to? The other question was about a large issue on livestock predators: animals lost to wolves and other predators. What programs do you have in place to support municipalities with this problem?

The Chair: Thank you very much, Mr. O'Toole. We'll leave those questions with the ministry to respond to as they see fit, as soon as possible.

I'm now going to recognize Mr. Bisson.

Mr. Bisson: What perfect timing. While the minister gets a coffee, just a quick question to the ministry.

In the 2004 update of the Environmental Commissioner regarding the aggregate compliance program, it was stated that there was a failure to meet about 20% of the aggregate licence. He reported that your success rate was in fact declining by 13% in 2002, and only 10% in 2003. Can you give me the answers to the following questions, and I don't need answers verbally; you can give them to me in writing. First, what percentage of licences were audited in 2004? Second, will a minimum of 20% of operations be audited? Third, have you hired more inspectors to meet the 20% objective, and why not?

The other question with regard to the same is, how many aggregate licences were suspended or temporarily revoked, failing to submit compliance assessment reports on time in 2002, 2003 and 2004? The last question is, are you aware that the Ontario Aggregate Resource Corp. does not provide information on demand for aggregate, the profile of consumption by sector region and the material types of aggregates, import to export, to Ontario.

If you could give me those in writing; I don't want them in verba.

I want to go back to forestry.

Minister, you're back. I'm glad to see you. You didn't have a problem with the charter just now?

Hon. Mr. Ramsay: Not at all.

Mr. Bisson: Good to know. OK, back to electricity. Just before we went back in rotation, there was an acknowledgement that in fact electricity prices have gone up over the last couple of years under the McGuinty government, that in fact it is a cost to industry; it is a significant cost, as you well know.

One of the things that you announced on Thursday was that part of the dollars that were being made available by way of this announcement is going to enable industry to look at, and possibly move toward, the co-generation aspect as a way of being able to reduce electricity prices. I've gone out and talked to industry; we've been talking about this for some time. What they're saying to me is, "Do you think that we needed the MNR or the government to tell us that cogeneration may be an option? If it were a better cost, we would have done it already."

If industry itself is saying, "Listen, we've looked at this option. That's not to say that it's entirely inappropriate in some cases, but it's not going to reduce the overall price paid by the company for the power of generation. If this were a cost saving, we would have done it already," at the end of the day, what is this going to do for industry in any way on the positive side if they had done it already? They didn't need this incentive to move in that direction.

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Hon. Mr. Ramsay: I'm glad you did bring that up, because it's an important issue, and cogeneration can and certainly will be the answer for many of these companies. What has been lacking, that is coming from the Ontario Power Authority—and the reason it's coming from there is because part of our electricity policy is to depoliticize electricity and have it from an independent agency. The policy and pricing come from an independent agency so that we get electricity policy on a level and even keel in this province.

Why many of the companies haven't jumped into it yet is they haven't seen what the policy initiatives are going to be in regard to industrial cogen. Now, if a company has shown interest, as several have, and come to us, then basically, in discussions with MNR, the company and the Ministry of Energy—in the case of Abitibi in Kenora, we have been able to reach some agreement that the company—will consider if they decide to finally go ahead in implementing a cogen in Kenora.

What is involved there and what will be the framework of this policy is, how does the government—in this case it will be the Ontario Power Authority—value and credit the advantages that cogeneration brings, not only to the company but to the province of Ontario? The big thing about cogeneration is that the company now is no longer dependent upon the electricity system for its

power, as it's producing its own. So it comes off-line. That is a big savings right away for the province in the immediate, of course, because now we've got some load management, and as you know with electricity, because you can't store it, you have to build for the plant usage, which tends to be about—

Mr. Bisson: My question to you, Minister—

Hon. Mr. Ramsay: I'm answering this for you.

Mr. Bisson: No. Just killing the clock is what you're doing, and I've got a couple of questions—

Hon. Mr. Ramsay: No. I'm answering the question, because I'm getting to the nub of the policy—

Mr. Bisson: You haven't answered my question. My question is this: If we know now what the price of electricity is off of the OPG grid and we know what the cost is for cogeneration, what industry is saying is that cogeneration is not less than what they're paying now; in some cases it could be even more, depending on what happens with gas prices.

Hon. Mr. Ramsay: That's what I'm getting at. You don't know the cost.

Mr. Bisson: Yes, they know the cost.

Hon. Mr. Ramsay: No.

Mr. Bisson: That being the case, how is this going to effectively save money to industry if the cost of cogeneration is actually going to be higher than what they're paying now?

Hon. Mr. Ramsay: The premise of your question is wrong. You're presuming that somehow the cost is going to be higher.

Mr. Bisson: So then the logic that flows from that is that industry doesn't know what it's doing. That's basically what you're saying, because as I sit down with industry, if I sit down with Tembec or Domtar or others, what they're saying is, "Listen, if cogeneration was the answer from the beginning of the move to deregulation of electricity prices to a market system under the Tories, continued by you, we would have done it by now." That's what industry is telling me. They're saying that the basic issue you've got to deal with is the price that we're paying off the grid. If it was as simple as building a cogeneration plant, people in industry are pretty bright. They know how to make money, and they would have invested the dollars to do so already. They have not done so.

I've talked to some of the people in industry since your announcement on Thursday, and they're quite, I shouldn't say, taken aback, but what they're basically saying is, "What is he taking us for? If we could have saved money doing cogen, we would have done it already." So my question to you is, will you tell me, pray tell, how this announcement is actually going to save industry money when it comes to the amount of money they're paying for hydro now? It's not going to lower the base rate.

Hon. Mr. Ramsay: What I'm saying to you is that companies that have moved ahead with the decision to produce cogen—and let's talk about a real-life example here: Abitibi in Kenora—have come to us before the

policy has been finalized from the Ministry of Energy, but we in MNR have facilitated discussions, not only within our ministry but with the Ministry of Energy. That basically has provided the framework for a pricing agreement with a company such as Abitibi, who obviously is happy enough to have gone forward to their workers to say to them that they are very close in making a decision to go into cogen because they've had a successful conclusion of discussions with the government on cogen, and they're very happy with the new pricing policy they've received.

I would say today on record to all the forestry companies in this province, don't wait for the OPA to come out with their industrial cogen policy. Come to us, MNR, as your champion in that industry, and we will facilitate discussions now with the Ministry of Energy if you're contemplating cogen, because we can make it advantageous to you.

Mr. Bisson: So not really an answer. But here's where we're at. We know that the cheapest form of producing electricity is hydroelectric, followed by nuclear, coal and then cogeneration and others—wind, run-of-the-river etc. If a mill is sitting, as we have across northern Ontario in most cases, in close proximity to hydroelectric plants, the idea of going to cogeneration from your perspective is that they're going to save money. But if you look at the actual cost of generating the electricity, it's higher than what alternatives already exist now.

The question that industry is asking me and I'm asking you is: What is your government prepared to do when it comes to dealing with the cost of electricity as bought off the grid that they are currently purchasing? Are you planning on doing anything to undo some of the mess that was created by the Tories and continued by you in order to stabilize electricity prices and get them down to a reasonable level so that these guys don't go under? Or is it all cogeneration? Is everything in the cogeneration basket?

Hon. Mr. Ramsay: Now you're asking me a question that is not under the domain of the Ministry of Natural Resources. You're talking to me about the pricing of electricity.

Mr. Bisson: So you guys don't talk in cabinet?

Hon. Mr. Ramsay: What I can talk to you about is the cogeneration piece that we know is very applicable to this and many other industries in the province. In fact, as you know, industrial cogen is the fastest way to get new capacity on-line.

Mr. Bisson: Listen, I'm not going to argue that there's not going to be some cogeneration built.

Hon. Mr. Ramsay: We value that, and we're going to credit that in the rate to the company.

Mr. Bisson: We know that cogeneration is a more expensive form of producing electricity. My question is, does your government plan on doing anything to lower the electricity prices that we're now paying off of the OPG grid that would assist this industry? Other than cogeneration, is there any other plan to lower prices?

Hon. Mr. Ramsay: Again, you're asking me a question—the policy is there, and that's the policy of the gov-

ernment, so you're asking me about the policy, and you know what the policy is. What I've been able to do in working with our sector is facilitate a program that will promote the capital construction of these facilities and at the same time facilitate discussion with the Ministry of Energy, before the Ontario Power Authority comes forward with its industrial cogen policy, which will give credit and value to the companies for their peak shaving, their load management through this, through coming off the grid, saving the province what's necessary to raise the capital to build our capacity. We've seen a few examples now. As companies know more about this and see the policy, they're going to move forward with this.

Mr. Bisson: Minister, the problem is this: First of all, the cost of generating electricity by way of cogen is no cheaper than what it costs them to buy it off OPG. There may be some cases, if they're able to find some other synergies within their industry, where those things may be possible. But by and large, what industry is saying is that the cost of generating electricity by way of cogen is going to be no less expensive than what we're paying on the grid—number one.

Number two, even if I decided today, in whatever mill somewhere in northern Ontario, to build a cogeneration plant, it ain't going to come on-line for at least three or four years. The big fear on the part of industries in the communities in which these particular companies are situated is that a lot of these companies are going to be down. You know the balance sheet as well as I do.

If you look at the Tembec balance sheet in Kapuskasing, they're running for cash. They're not even making a profit. They're just trying to raise cash to pay their bills. They can't sustain that for four years. What they're telling me, when I talk to Paul Dottori, Frank Dottori or Terry Skiffington, whomever it might be, is that you've got to deal with the baseload price of electricity, because even if you decided tomorrow to build a cogeneration plant and subsidize the electricity price in some form, it ain't going to come on-line to save them money over the next three or four years.

So I come back to the point: Is your government prepared to do something today to assist industry when it comes to the high cost of electricity purchased off the OPG grid? That's something you have within your power. Are you planning to do something? Yes or no?

Hon. Mr. Ramsay: Again I have to disagree with the premise of your question. You're saying that it is more costly to produce power through a cogen facility than it is to get it off the grid. You're making that assumption based on not seeing the policy framework for industrial cogen. What I'm saying is that, while it's not out yet, we are dealing, on a one-off basis, with companies that approach us with the Ministry of Energy.

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You know that there are the two sides of the energy bill when you purchase it from OPG or the supplier. You've got the base cost of the electricity and then you've got all of these cling-on charges, whether it's debt reduction, transmission, line loss etc. In negotiations that

a company would have with the Ministry of Energy, there are savings to be had by the company going ahead and producing their own power, in managing the peak, shaving the peak. Go talk to Abitibi. You've named a bunch of companies that have not yet come forward to us and said, "We're interested in doing this." One has, at the moment: Abitibi. They are so pleased with the results of our discussions that they've gone to their workers and said, "You know what? We're seriously considering establishing a cogen facility here in Kenora that's going to save the paper machine." So go talk to them.

Mr. Bisson: I'll talk about Abitibi. In a meeting I had with them, they said, "Given electricity prices in the province of Ontario, we would not invest significant money to modernize or add capacity to our plants because of electricity prices." That's what Abitibi is telling us.

My point is, let's say we buy your argument, which I don't. Even if you were able to say that you can save the industry money by way of cogeneration, that generation ain't going to come on-line for them for three or four years. What's the industry to do in the three- or four-year span that it takes to site-select, do the environmental assessment, do the engineering and construction, and put into commission that plant? You're looking at three to four years at the fastest. How is industry going to survive over the next three or four years in Kapuskasing and other places across the north that are basically running for cash now because there's no money to be made at the current price of electricity? What are you going to do about baseload price? Yes or no: Are you working toward reducing that price and, if so, by how much?

The Chair: Mr. Bisson, this is now the fifth time you've asked this question. The Minister, in my view as Chair, has answered it. I would like us to move on, if we can. If it's asked a sixth time, I will consider that badgering. I want you to move on. You've made your point, and I would like to see us proceed. The minister has said what is within his domain and what isn't, and he has given you an answer.

Mr. Bisson: Chair—

The Chair: Mr. Bisson, you've asked the question. I'm going to now recognize the minister, but I wanted to put that on the record. Please proceed. If you have no further questions, then we'll move on.

Hon. Mr. Ramsay: Thank you, Chair. There is a new part of this that I can help the member with. The member had stated that cogeneration takes some time to get on stream. It doesn't take as long as you're saying. Within 18 months, many of these can come on stream. I've structured the program so that I will advance the money for these programs as soon as we get some initial work done. As you say, there's engineering, design work and beginning construction. We look at all the different points of construction and buildup to that. We're looking at very early progress payments based on this to assist the industry in making this transition. That's the way the program has been designed, and that's what's going to help them get through this.

Mr. Bisson: Chair, these are my questions, and I'll do them the way that I see fit. I don't appreciate being admonished by the Chair in regard to questions that I'm putting to the minister. It's my time and I'll use it—

The Chair: You can take your time how you want, but if you're going to interject with the minister when he's answered the question, then it's my responsibility to put it on the record. You can sit here until four o'clock today and ask that same question; I wasn't saying that. I was saying that the minister has answered it, and that would be my ruling.

Mr. Bisson: My argument, I guess, is that he didn't answer.

Next question. Let's say an outfit in northwestern Ontario decides they want to build a cogeneration. What would the average cost be to build a cogeneration plant to supply, let's say, an Abitibi of this world in Thunder Bay, roughly? Ballpark.

Hon. Mr. Ramsay: It could be \$45 million.

Mr. Bisson: That's what I understand: \$45 million to \$50 million. Are you going to be paying 100% of that by way of this program?

Hon. Mr. Ramsay: No. Should we?

Mr. Bisson: No, no. I'm coming to my point; you know where I'm going. What percentage, as far as the \$50 million of it being put forward annually—what's going to be the matching formula for those industries that want to go that way?

Hon. Mr. Ramsay: We're going to be looking at each proposal individually. What I've done is set up a committee of assistant deputy ministers from several ministries who will be looking at these proposals. As you know, the loan guarantee program is applicable, and the granting program. To answer your question in broad terms, we would estimate that the total government contribution would be in the neighbourhood of 10%, potentially.

Mr. Bisson: That's what I was looking for. So you figure about 10%. Part of the problem that we're having in industry is that, for example, if I look at—well, I don't want to get into particular companies; it may not be fair. But some of them are pretty heavily in debt. The analogy that was brought forward to me by one person in industry is that it's like saying, "My Visa is maxed out at \$20,000, and the answer is to give me a MasterCard with a zero balance on it," only to go charge up another \$20,000. What industry is saying is that, number one, the cost savings in building cogeneration are not going to do it, and number two, a lot of them couldn't take advantage if they wanted to because of their debt rate.

I just say what industry is saying. At the end of the day, we're not saying that cogeneration is a bad thing, but it is only one part, and a very small part, of the puzzle. The big issue is the base cost of electricity. That's the issue we have to deal with, and I will come back to that a little bit later.

The other thing—

Hon. Mr. Ramsay: Will you allow me to respond to some of that, though?

Mr Bisson: Very quickly.

Hon. Mr. Ramsay: You bring up a very good point about the industry's inability to raise capital. Because it's a challenged industry, investors aren't flocking to this particular industry saying, "Here's my cash; go invest it." That's why we came out very early, and first, in June with the loan guarantee program so that lending institutions would have some comfort that the government would be prepared to guarantee the borrowing, the financing, for up to 50% of the project costs. That's why that's in place, and now we've enriched that with a grant program. You have to remember, I've only talked about phase 1 and phase 2. In phase 3 we're expecting the federal government to step up to the plate also with some assistance, because this is a national industry very important to this country. We're expecting some more assistance coming. The industry should be looking at what's available and making some important decisions.

Mr. Bisson: Is there any time left, Chair?

The Chair: You have one minute.

Mr. Bisson: Very quickly, with regard to one of the other costs in industry, you know that industry had asked for a break on transportation costs when it comes to fuel charges: taxes. They put forward four particular points they wanted you to deal with, including electricity costs, and the second point they wanted to deal with was the 50% reduction on the fuel tax. Can you tell us why there was no mention of that in the announcement on Thursday?

Hon. Mr. Ramsay: Because the fuel tax goes into general revenues of this government, and those general revenues are used to finance all aspects of governing the province, including health care and education. We are having some strict fiscal discipline with our budget, and we obviously want to protect our sources of revenue.

The Chair: Thank you very much, Mr. Bisson. I would now like to recognize Mr. McNeely.

Mr. Phil McNeely (Ottawa-Orléans): Minister, there are two questions I'd like to put to you that affect me in Ottawa. One comes from an article in the Citizen on Saturday. It says, "The Ottawa area had the highest number of combined property damage, injury and fatal collisions with wildlife—939 incidents," and Lanark county, where we've heard a lot from farmers about crop damage, has had 587. They're third. Our area, Ottawa, is a major agricultural area. It's the largest agricultural city in Canada, I believe, and the conditions are there to see—the deer population has increased a lot. I think a lot of these accidents are with the deer population. There were four fatalities in 2003, and 500 injuries. I think we have it from Minister Takhar that there has been an 86% increase in this type of accident in the last 10 years. The question then is, what is MNR doing to deal with that problem in the areas like Ottawa where this is significant?

Hon. Mr. Ramsay: Phil, this is an important issue, because we've had an explosion in the deer population in southern Ontario, especially in southeastern Ontario, that has been very challenging. It's a concern, as you've said,

because now it's a threat to human life because of these accidents, so we take it very, very seriously.

Part of the mandate of the ministry is to manage the wildlife population. At first we think about ecological sustainability, but in this case, this is a species that's really out of control in this particular part of the world. Their main predator, the wolf, has moved north, basically. As human habitation has moved into this area, it has produced the most perfect environment for deer: We still have lots of nice forest cover areas, but we've got open fields with great agricultural crops, as you said.

Ottawa is a big agricultural city; you're very right about that. We've been working with the farm organizations and the anglers and the hunters in basically trying to reduce the population. Quite frankly, while there are a lot of people that don't want to talk about hunting very much, thank God we've got hunters out there that are helping manage this resource, because if we didn't have hunting of this species, the deer would be even more out of control and potentially harmful to human beings.

We've enhanced the hunting opportunities in areas—we divide them up into these wildlife management units—where the population basically is out of control. I think at least 60,000 extra tags were released last year, and we're looking at increasing those all the time. But we've gone to another system too for farmers, because crop damage is another area of concern—and I'm sure you get complaints about that—where we're even getting to the point of issuing what we would call deer removal permits. We can issue up to seven to an individual landowner so that person has the ability to control the deer population that's damaging crops. It's a big problem, and we're working in conjunction with all the community groups. Whether you're in agriculture or you're a hunter, an angler or just a citizen who has to travel those roads, it's a big concern.

Mr. McNeely: The second issue has to do with conservation authorities. I sat on the South Nation River Conservation Authority for three years while I was a councillor for the city of Ottawa, and I think there's great work being done between MNR and the conservation groups. One of the areas is approvals for small projects. We have a boat launch, and we've gone through the city of Ottawa and got the approval, Fisheries and Oceans has approved it, the Rideau Valley Conservation Authority, in this case, approved it, and it still comes back that MNR approval is needed. I'm just wondering, on those where there are minor impacts, will those responsibilities maybe be negotiated down to the conservation authorities, to maybe take out one level of problems or concerns and still maintain the important environmental concepts that we are trying to achieve?

Hon. Mr. Ramsay: Phil, that's a good question, because it speaks to all the red tape that's out there in the various levels of government and, in this case, organizations involved in permitting such uses. The answer is yes, we are in discussions with conservation authorities, the federal government and others to see how we can

streamline our red tape. I guess why we stay in government and always want to be there is so we can say, "We think things are pretty good, but you know what? We can do better." I think this is an area where we can do better. When I go the resource ministers' conference this week, again, like last year, I'm going to be bringing the point home that there is so much duplication and surely, at the two senior levels of government, we can do a better job of coordinating what we do and make it easier for the client. We need to do that, and conservation authorities potentially could be a perfect partner to do more work with in this regard. I'm very positive about this and proactive about this, and I'm encouraging my ministry to enter into these discussions.

Mr. McNeely: Thank you. Mr. Chair, I have no more questions.

Ms. Di Cocco: We know it's getting close to lunchtime, so for the sake of our nutritional needs, we will forgo the rest of our time, Chair.

The Chair: Thank you very much. This meeting stands recessed until 12:30 of the clock.

The committee recessed from 1153 to 1242.

The Chair: I'd like to call to order the standing committee on estimates. We are reconvening to complete the estimates for the Ministry of Natural Resources.

I will recognize Mr. Bisson in this rotation. You have 20 minutes.

Mr. Bisson: Just to go to another issue, Minister, because you were obviously part of the process, that last winter there was an announcement, in January, I believe, to merge a number of operations in the Chapleau, Kirkland Lake and Opasatika area into larger supermills. I'm interested in finding out some information on the basis of that. I understand that there was a document created called the fair way agreement, that was done between Domtar and Tembec and was provided to the ministry as the basis for the decision. Is a copy of that fair way agreement available, and can we get it?

Hon. Mr. Ramsay: Mr. Bisson, you know, because there is a judicial review on, which I believe you're a party to, that I can't comment on any of this.

Mr. Bisson: I'm not asking you to comment on that. I'm asking if we can get a copy of the fair way agreement.

Hon. Mr. Ramsay: This is all part of the judicial review, so I can't comment on any of that.

The Chair: Excuse me. Is your legal counsel saying that you're unable to release the document? Let the record show that we weren't asking you to comment; we were asking you for a copy. So the record is now clear. Your legal counsel has advised you not to deliver a copy.

Hon. Mr. Ramsay: Yes, anything to do with that.

The Chair: Thank you. I just wanted it to be clear on the record.

Mr. Bisson: So we know there was a fair way agreement. We don't know if we can or can't get a copy of it, because the minister is telling me he's not going to answer anyway because of the court case. Isn't that

interesting? There goes a whole whack of questions. What are we going to do for these 20 minutes, David?

Hon. Mr. Ramsay: I have another speech prepared.

Mr. Bisson: I'm sure you do.

Hon. Mr. Ramsay: It'll knock your socks off, believe me.

Mr. Bisson: I'm not going to go down this road very long, Chair, with your indulgence. It's just that it would seem to me that getting a copy of some of the notes that were taken from the minutes with MNR, and the Domtar and Tembec discussions that resulted in that, would have been something fair to ask for. It's unfortunate that the minister has taken this position.

Hon. Mr. Ramsay: Before you leave that, we can't talk about it in the specific, but it might be instructive to talk about, in principle, consolidation of mill operations, where the forest industry is going and why those things are necessary. If you want to have that debate, that's great.

Mr. Bisson: OK. That's helpful.

Let me go back to the sustainable forestry development act. In the purpose clause of that act, it's fairly clear what it sets out to do as far as what the responsibility of the crown is when it comes to the management of the forest. In the management of the forest, under the purpose clause, it basically says that we need to put forest management plans in place in order to do a number of things. Obviously, the most important ones are to make sure that we're harvesting in a sustainable way and that whatever we do in the forest, we take into consideration what the disturbances are.

Also in the purpose clause it's very clear and says that in making decisions for anything having to do with the act vis-à-vis forest management plans or your powers under the act, you have take into consideration the socio-economic impact that decision would have on local communities or on Ontario in general. I'm wondering if you're minded to comment on that in any way, shape or form.

Hon. Mr. Ramsay: In general, the socio-economic impact of any of the decisions we make in the ministry is very important. While we are there to be stewards of the land base and everything on the land base, be it the lakes, the rivers, the streams, the wildlife, the trees, we obviously do that also in regard to the contribution that it makes to the socio-economic well-being of the province. So we always take those factors into account when we're making any decisions in regard to forestry, wildlife or water management.

Mr. Bisson: So let me ask you this: I take it that what you're saying is you're agreeing to an extent that, at the end of the day, the decisions you make have to be in keeping with the purpose clause in approvals of forest management plans, right?

Hon. Mr. Ramsay: Yes.

Mr. Bisson: Agreed. OK. That's a yes, for the record?

Hon. Mr. Ramsay: Yes.

Mr. Bisson: So let's take a hypothetical. We're not going to talk about Opasatika; we're not going to talk

about Chapleau; we're not going to talk about Kirkland Lake or anywhere else.

Let's say I have a forest management plan. Let's make it even easier: Let's say that I wanted to get an SFL, a sustainable forest licence, from the crown and we start new. All of a sudden, miraculously, we find 250,000 cubic metres of wood somewhere that's not under SFL. That's pretty hard to find, I agree, but this is a hypothetical case.

When making your decision in regard to "Should this proponent get an SFL, yes or no?" in your review of that application, would you look not just at the impact when it comes to the environment, but would you also look at the impact that it makes on a local community? For example, I'm a proponent, I want 250,000 cubic metres of wood and I'm going to ship it off to Virginia for processing. Somebody else has an application and they say, "We have an application to process locally." Would socio-economic impacts impact on your decision to either have it locally produced or shipped out?

Hon. Mr. Ramsay: Yes.

Mr. Bisson: That's quite helpful.

The other part is, in the forest management plans, there is a regime—just for people on the committee who may not be familiar with that, the sustainable forestry development act sets out a number of responsibilities that both the crown and the sustainable forest licence holder, called the SFL, have a responsibility for. They prepare a five-year plan on how they're going to conduct their forestry activities in that particular forest. Within the forest management plans, it is contemplated that if there is any major change to the plan, an approval from the minister has to be gotten. Would that be a fair comment?

Hon. Mr. Ramsay: Yes.

Mr. Bisson: It also says in the act—I forget which section; maybe Bill would know offhand. I'm just going by memory, because it's been a while since I've looked at it. Just after the purpose clause, I think just before the definitions, it will get into a section, I think section 1, where it basically says that the minister has the right to amend the forest management plan at any time, even if he has approved one. Is that correct?

Hon. Mr. Ramsay: I believe that's correct.

Mr. Bisson: What does that mean to you? Does that pretty well give you pretty big authority to do what you think is right by way of the crown for that forest or for the people about?

Hon. Mr. Ramsay: Sometimes—

Mr. Bisson: Can I see the act, Bill? Go ahead. I just—
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Hon. Mr. Ramsay: I don't think in my two years I've had to exercise that. I know I've had to amend licences, for instance, the independent audits showed a deficiency by one of the companies and they weren't adhering to the conditions of their licences. I've made amendments to those. I'm not sure we've made any amendments to any forest management plan. I could be corrected, but—

Mr. Bisson: My question is this: In the act, I believe under section 1, it basically says that once a forest management plan has been approved, the minister at any time

may amend it, even though the plan had previously been approved by him, correct?

Hon. Mr. Ramsay: I think Bill Thornton can give us the details of how that actually works for the industry.

Mr. Bisson: We're sharing our act here, Bill. Let me get this act together.

Mr. Thornton: The process that's being described here and the question relates to how forest management plans are amended. This is a delegated responsibility to our regional director, who not only approves forest management plans but ultimately oversees their amendment. If there's a substantial change in operations, as contemplated by an approved forest management plan; for example, a forest access road has to be built in an area—

Mr. Bisson: That's going to be a second question. I know where you're going, and that's where I'm going after. But my question is, under section 1, the minister has the right to amend the plan, even though it has been approved; true or not?

Mr. Thornton: Yes, though not necessarily under section 1. I think you're thinking of section 34 of the act. But you're correct. The minister has that authority to amend a forest management plan. As a practical matter, that's delegated to regional directors.

Mr. Bisson: Theoretically, let's say a particular SFL holder decides that they want to do something—I'm just going to use for an example, that there was an unutilized amount of wood, an underutilized species that was available on that particular SFL. In the forest management plan, it's not taken up by anyone. In other words, the company doesn't have any particular plans to utilize that fibre. As I read that clause, the minister would have the right to go in and amend the forest management plan, even though there had been a plan approved prior to his intervention.

Mr. Thornton: Normally, it's not the minister seeks the amendment of a plan. Usually those amendments are brought forward by the licensee because of operational changes in where they're going to harvest timber, in the example you're using here, or what have you. The situation that you've described where some timber that's available for harvest may not be harvested generally would not require an amendment to the plan, because, from the plan's perspective—let's use cedar, for example, which isn't being used very often now. There's already authority to harvest cedar: the stands are identified, the roads to get to those stands are identified, where they would be built and so on. So there would be no need to amend the forest management plan to allow for the harvest.

Mr. Bisson: That's not my question. That's not where I was going. I understand how major and minor amendments work. My question is—and we have a difference of opinion, but anyway, that's another story—if a minister decided to amend a forest management plan, would the minister have the authority to amend it?

Mr. Thornton: The minister and the ministry could bring forward an amendment if they felt that it was necessary. I have a hard time imagining how they would

do that. Generally, as I say, the amendments are brought forward by the companies because of changes in their operations.

Mr. Bisson: I understand. Normally, there's a relationship between the licence holder and the ministry, and we work within certain parameters to make sure that ministers don't go off and do strange things. But my question is, if I was the Minister of Natural Resources and I came to you and said, "I want to amend that plan," for whatever reason, I'd have the authority to do so.

Mr. Thornton: Only for reasons that relate to the forestry operations described in the plan. I think I need to provide the committee with some perspective here. A forest management plan is not an instrument that commits timber to a licensee. There are only two instruments that do that: a licence and a supply agreement. A forest management plan is simply carrying out the operations of harvesting timber, building roads, planting trees and so on. It does not suggest or imply or grant any rights to harvest timber. That's another process, a higher order of authority by way of a licence or a supply agreement.

Mr. Bisson: Well, we can get into an interesting debate, because this is where we get into you say "tomahto" and I say "tomayto." There's an entire regime, everything from a mill forest processing licence to a forest management plan to an SFL. There are a number of permits and licences that have to be taken by the company in order to harvest that timber and transform it into dimensional log timber or whatever. All of those things are dependent on each other. You can't look at them in isolation and say one doesn't affect the other.

I guess I have a bit of a disagreement with you on that. But my basic question was that if the minister decided to amend the plan, the minister could.

Mr. Thornton: The minister has the authority to approve amendments to plans generally brought forward by the company. I again struggle to imagine why the minister would want to amend a forest management plan to change operations that he's already approved.

Mr. Bisson: My question then goes back to the minister, and I don't know if you want to answer this. When I ask the question, you can say, "I'm not going to answer," but I want to ask it anyway. In the case of Opasatika, if you had the authority to intervene on behalf of the community, why didn't you?

Hon. Mr. Ramsay: I'm going to say something else, not related to this question.

There are two things we've been discussing here. We've been talking about the forest management plans. That is different from whoever the licensee might be. You could have—

Mr. Bisson: Overlapping licence; I understand.

Hon. Mr. Ramsay: —20-year plans. We've got five-year increments of those plans. We have public consultations. That's how the forest is managed. The licensee could change, but the forest management plan is how we manage the resources in the forest. So they're very separate things. Licences are one thing, which is the authority to actually access the timber, but how we manage

the forest is the plan. As you know, we have a lot of public input on the plan, and properly so, because it's the people's forest.

Mr. Bisson: Let me try it this way. The licences that are necessary to operate a sawmill, paper mill or an OSB plant in northern Ontario, or anywhere else for that matter—all of the various licences are pretty well under the Crown Forest Sustainability Act. Right, Bill?

Interjection.

Mr. Bisson: Yes. So your mill-processing licence, the allocation process for timber, the forest management regime, as you described earlier—all of that is under the act.

Mr. Thornton: All of it is certainly under the act, and some of those are conditions in a licence as well.

Mr. Bisson: So the purpose clause of the act, which basically sets out how the rest of this is to be administered, which is one of the most important parts of the bill, sets out that when making decisions in regard to this act we need to take into account a number of principles. Those are environmental principles and sustainability principles, and it talks about socio-economic principles.

I don't know if the minister wants to answer this question, but if the act sets out in the purpose clause that a minister has the authority to grant a licence, has the authority to monitor what happens within industry, has the authority to amend a forest management plan, and the purpose clause gives him direction in that he or she must also take into account the socio-economic impact, I guess the question goes back to the minister: If you had the authority, why didn't you intervene on behalf of the community?

Hon. Mr. Ramsay: You're asking, again, a specific question that I can't get into because it involves a judicial review that I know you're party to.

Again, I think we have to differentiate between forest management plans and licences. Sometimes licences are structured so that wood goes to a certain facility and in some cases it goes to a number of facilities. If maybe only one of those facilities remains, then the wood goes to that facility. So in some cases, there's no need to change any of these plans because the licence addresses the facilities on it.

Mr. Bisson: I know that's your view, Minister, but the point I'm making is that you have pretty broad and direct powers under the act of what you can or can't approve and what you can do. All I'm saying is, under the purpose clause it's fairly clear you're basically directed by the act passed by this Legislature that when making decisions there are a number of principles that you have to take into account, everything from granting a—what is it called?—a mill forest processing licence to a forest management plan to a licence that basically allows the amount of timber to be cut. You have to take those principles into account. I don't know what degree you want to go down here, but—

Hon. Mr. Ramsay: Well—

Mr. Bisson: You wanted to say something?

Hon. Mr. Ramsay: Again, one has to be careful about one's use of authority and one needs to be judicious about one's use of authority. We're dealing in a free enterprise system, in a business climate where companies need some certainty. The primary area that a company needs certainty when it comes to the forestry industry is in fibre supply. So you can't be arbitrarily yanking licences or making big changes to licences, because it has a big impact on companies and communities. One has to be very judicious in one's use of authority.

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Mr. Bisson: I would argue in your favour. I'm not suggesting for one second that you withdraw somebody's licence. All I'm saying is, when making decisions around those licences or around forest management plans or around whatever licence they need to get under the act, you need to take into account the socio-economic impact.

I guess where we're having a difficulty in many of the communities—we look at what's happened in a lot of these communities where there's been severe job loss. In some cases, the only employer in town has shut down, and they're asking, "Who's in my corner?"

I recognize that industry has needs as well, as I had this discussion with Frank Dottori. I said, "Frank, I understand that you have shareholders and you answer to your shareholders. But we, on the other hand, answer to our constituents." At one point, it seems that the companies are fairly well organized to be able to advocate on behalf of themselves. The citizens of the communities need to know that somebody's in their corner. I just ask the question again: Given that you have the authority to have given the community an opportunity to come up with another buyer for a profitable mill, why didn't you stand in their corner, at least in the initial process? I've never understood why you went from the request by Tembec-Domtar to making the decision in their favour without giving the community an opportunity at the beginning.

Hon. Mr. Ramsay: Again, as the member knows, I can't answer specifically in regard to Opasatika. But in the general sense, I think one needs to look at how licences are issued originally. I've seen incidents in the province where licences are issued to companies who own several mills. The wood is directed to several mills, but the licence goes to the company. If the company decides to change their operations, and decides to run two mills instead of three mills, then the company makes that decision and they've got a valid licence. Therefore, the ministry doesn't have any power because the licence has said, "Here's the wood. You direct it to your companies." That's something that probably needs to be looked at in the future. Maybe licences need to be looked at in regard to one operation at a time.

Mr. Bisson: I'm out of time, but for the record, I just say that you have the authority under the act to have done the right thing in the beginning and you chose not to, and I find that unfortunate.

The Chair: Thank you, Mr. Bisson. Thank you, Minister. I would now like to recognize Ms. Di Cocco.

Ms. Di Cocco: This morning I tried to convey or to get some sense of specific issues that were in my riding that I wanted some understanding or explanation of. I thank you for that.

One of the things I learned when I was on city council for about a year and a half, before I came to this job, was the work that the conservation authorities do. Again, they seem to do their job very quietly and in the background. But I learned, by doing an actual tour of their facilities and what they did, how much work they do in flooding. It was amazing because the St. Clair Region Conservation Authority has this chart, and it showed every single stream and waterway in the area, and they were able to assess flooding or what wasn't going to flood and so on.

I'm constantly amazed at the kind of work that they do, so I guess it's a very broad question, Minister, with regard to conservation authorities and the work that they do. I just wonder if you might expand on that aspect. I know that they've been around for a very long time, but it's certainly something that I know our colleagues would like to hear about.

Hon. Mr. Ramsay: Yes. We're very blessed in Ontario that we have organizations called conservation authorities. What's so great about them is that they're locally based. I don't know who thought of this concept, because we talk about it now in regard to source water protection, but if you're to manage water, you should do it on a watershed level, and that's what conservation authorities do. They manage per watershed, as you should. And so we have these locally based organizations managing water on a watershed basis and taking the input of local people.

You talked about flood. We think about water as being a positive, but of course as we've seen from the two hurricanes that struck the Gulf coast of the United States, water can also be a very damaging material. While it sustains life, it can take life, so we have to manage it for its sustenance value but also for its destructive value. Conservation authorities play a very vital role in flood plain management. As you said, they basically can analyze the flood risk in their watershed and propose the building of structures or other mechanisms, or advise as to where municipalities should build and not build when they're doing their official plans. They're an invaluable source of information to the municipal level of government, as they are to the provincial level of government.

Those entities come under our ministry under the Conservation Authorities Act and are very valuable tools. They're going to be playing a more and more important role as they at the moment are the organizations that are carrying out what we call the water budgeting process, which is basically planning under source water protection, identifying the water sources and starting to devise plans as to how to protect those water sources. As we talked about earlier, we've recently understood how important that is and how we have to pay more attention to that. That's why this program is ongoing, and conservation authorities are leading the way in that.

Ms. Di Cocco: I'm going to switch my questions to another area. One of the things about having such a diverse caucus is that you hear from other caucus members in other parts of the province. I've heard some issues dealing with nuisance bears in the northern part of the province. Some of our colleagues have been getting many complaints from their constituents because of bears going into schoolyards or just into backyards. They get into places where they normally weren't before.

Hon. Mr. Ramsay: "Bad news-ance bears" is what they are.

Ms. Di Cocco: In Sarnia-Lambton we don't have bears, but I hear from them how much of an issue it is. I know that there are many reasons why they feel this has been the case.

I know you have what they call a Bear Wise program and improvements in assisting these communities that have more and more of these nuisance bears becoming braver and braver and getting into places they had historically not been. Some people feel that there's a number of reasons why we've got more and more bear sightings. As a matter of fact, I was talking to some hunters who go from my area up to the northern part of Ontario, and they were saying that when they first started hunting up in that area about 10 years ago, it was very difficult for them to sight a bear, and now they're sighting five and six each time they go. Last year when they were up there, they said they'd seen the increase in just the sightings. They're braver and they seem to be more in number.

What I'd like to know is how you're assisting communities that have these nuisance bears in this program. Maybe you can give us an explanation.

Hon. Mr. Ramsay: This is an interesting subject because it's not just an Ontario challenge. We're seeing this right across North America. We've had nuisance bear problems, even with black bears. Predominantly they're brown bears in British Columbia, but they have black bears also, and there have been nuisance problems there, right across the west and into Quebec. Recently, I read about some black bear nuisance problems in the state of New Jersey within 60 miles of the bridges leading to New York City. I didn't even know that was black bear range down there. As you know, they're an omnivore—they basically eat anything—so they're a highly adaptable animal.

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In the Great Lakes region, we've had some very extremes of weather over the last few years. About three years ago, we had a very hot, dry summer, as we did this year. When that happens, that has a direct impact on their food sources. The primary food sources for the black bear are vegetative, with grasses and brushes in the bush, and berries. These crops, basically in the forest, are very susceptible to drought, and that's what's happened this year. So we have had more sightings because the bears are coming out of the bush looking for other food sources. The other food sources unfortunately happen to be in municipalities or at garbage dumps or at campsites, where we bring food out into the wild. So it's caused a great concern, and it's been almost two years ago now.

It's our second year of completing the Bear Wise program, because primarily, it's a program that runs spring to fall. The first aspect of that program is educative. We wanted to make sure that the people of Ontario had a resource that they could call upon, run by the Ministry of Natural Resources, to get advice and some help, if needed. In fact, it was our government's decision to up-load again the responsibility of bear management back to the government, where it does belong. So that has happened, and it's been very successful.

Last year was a really wet year, and so there were a lot of good food sources in the bush and we didn't have as big a problem as we do this year. So I'm certainly praying for a normal year. I don't want to say a wetter than normal year—people will be upset about their summer holidays—but if we have a normal year next year, then we won't have as much of a problem because the food sources will be there in the bush and they will stay where their food sources are. But if the food sources literally dry up, then they will start to come out, and that's a problem.

We understand that happens from time to time. So part of our program has been a capital program for municipalities, where we put forward \$900,000 so that municipalities could access that to provide fencing around the garbage dumps, which act as a big food source, and/or purchase bear-proof dumpsters. So when people in, say, more rural areas dump off garbage to areas, they can put them in bear-proof dumpsters, and the bears will soon discover that food source isn't attainable and they will leave.

It's a bit about managing bear behaviour, but a lot of it is about managing human behaviour. So we're sort of relearning, in the north, those of us who live in bear country, to make sure we don't leave attractants around the house also.

Ms. Di Cocco: Again, I'm going to change the subject. I have in my community the Aamjiwnaang Nation. In Sarnia, we have the Aamjiwnaang band. They're working very, very hard to attain self-sufficiency, and there is an industrial park, actually, that they're expanding. I speak to them often about this notion of economic self-sufficiency, which is very difficult. In speaking to the elders, they talk about how their ability to be self-sufficient was changed by the fact that a lot of the land is being used for other reasons. So in my area, they're going about it in a very progressive way.

I understand that there is some progress being made in the northern boreal initiative, which is, again, about assisting First Nations communities to achieve economic self-sufficiency. In my area, they are trying to work within the context of what the environment is there, which is a petrochemical industry, which is highly industrialized. They're certainly, I have to say, being very proactive and progressive. I've toured the site and have to say that they certainly have a number of industries where they are training and actually producing many different things like sheet metal and different manufacturing.

In the north, again, this boreal initiative—maybe you can expand, Minister, on the progress that's being made up there with regards to this economic self-sufficiency that you're trying to achieve.

Hon. Mr. Ramsay: It's an important question, but I also like the context you put it into, which people normally might not think about. What you've done is contrasted the economic challenges of a First Nation that's located in southern Ontario with one that's located above the 51st parallel, which is the far north. I live just below the 49th parallel, so we're talking about land that is very, very far north, and the challenges are very different and distinct.

The First Nation that you refer to in your riding, of course, living in southern Ontario, has access to a lot of markets and opportunities. The communities that we would speak of north of the 51st parallel, where this northern boreal initiative is in play, are primarily—actually, in every case—very isolated. They don't have any industrial-commercial base at all but sit in the middle of the boreal forest. What this program does is recognize that if there's to be development in the boreal forest, as a precursor to that development there has to be land use planning. What this program does is build capacity in these First Nations in order to do that.

I was up at one of these communities, called Pikangikum. What was very interesting to see there was that this idea started from a vision of the elders up there. The elders, coming from a traditional hunting, fishing and trapping community, for the first time recognized the wealth in wood fibre. That's something the non-native community has done for a long time, but it really hadn't occurred to them up there that maybe they should start getting into the wood fibre business. As they saw the challenges with their young people—the social problems, the suicide rates, the out-migration—the elders said, "We need to do something. We should start looking at the forest maybe in a more traditional way than some of the non-native communities have." So there's been this request of the Ministry of Natural Resources to help with capacity building and doing the land use planning that would eventually lead to the harvesting of trees in that area.

You have to remember that north of the 51st parallel there is no commercial forestry going on. This is a frontier that is as yet untapped. I'm very excited about this program. There are about 14 communities right now that are very much into this, that have been basically given the resources to hire consultants to help them with the land use planning. But, as important as that, there is a sort of technological transfer happening with the young people there. When I was up at Pikangikum, there were the young people doing the GIS mapping of this, guided by the knowledge of the elders to show: "These were the traditional lands here. These were some of the burial mounds over here. These are the traditional trapping areas over here." Through all of that and plotting that on the map, they are starting to identify where the most appropriate places might be to do some forestry.

We're at the very beginning of this right now with many communities. There are maybe one or two, Pikangikum probably being the most advanced, that might be ready for the next step and start to think, "What would we want to do in commercial forestry? Would we just cut trees and send logs south or would we want to do something here in the community?" That will be the next stage of planning.

Meanwhile, we need to get going and start to move soon, in the next few years, on environmental assessments for forestry in that area, as we don't have the authority to do that yet because forestry is just south of the 51st parallel. In a lot of ways it's very exciting and a new opportunity for our First Nations communities.

Ms. Di Cocco: Thank you, Minister.

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The Vice-Chair: There being no further questions, I would ask that someone step into the chair for a moment while I ask a few questions. Thank you, Ms. Di Cocco.

Mr. O'Toole: I have some hastily drafted questions here, but they're not just on this ministry.

Hon. Mr. Ramsay: I've been doing it for the NDP all day, so I could do it for you too.

Mr. O'Toole: Yes. That's good as long as you don't flip them back too far.

There's time now to follow up. For some time now, livestock—sheep, in many cases—has been put at risk by wolves and other wildlife. It constitutes a huge and growing issue in terms of municipal budgets. I gather that money is transferred from your ministry to the municipalities. I'm not absolutely certain. The municipality pays if they have an evaluator who goes around.

Hon. Mr. Ramsay: Yes, and that's a program of the Ministry of Agriculture and Food. It's my job to protect the wolves.

Mr. O'Toole: That's really why I'm asking you, because under your ministry there was, I believe, a pilot project in my riding some years ago to snare or in other ways stop the wildlife invading properties. It was a rapidly growing problem, and the funding for it is quite a problem for the municipality, though it comes under a different ministry. Are you aware of any projects at all or work dealing with these nuisance situations, because you have the protection of wildlife under your ministry, that it is doing or considering?

Hon. Mr. Ramsay: Actually, we are involved in a consultation right now in general in regard to nuisance wildlife. This is a very good point, because we've just heard about deer being a nuisance, and they certainly are. There are other species that are nuisances and you bring other ones. Some of the top predators get a little misdirected and start going after domestic animals rather than wild animals, and that's because of our settlement patterns here and what has happened with some predators leaving, and some not, in different areas. So, sure, from time to time there are incursions of wild animals on to farms.

I've been a farmer myself, and live in an area of north-eastern Ontario where this is quite common. We have

sheep farms up there and we get complaints. There is a Ministry of Agriculture and Food program to deal with that. It is a concern of ours, because basically we want to make sure that human beings and wildlife can live together in harmony in this province, and we're doing everything we can to limit those conflicts. So we've got a multi-party consultation going on now to see what else we maybe could do in regard to nuisance wildlife management.

Mr. O'Toole: I guess that's really the point I was trying to make, that there was a bit of a conflict at that time. I believe your field people do very good work. In fact, I've attended a number on the enforcement issues and I find them informative. They maybe have very large areas to cover, but nonetheless they're responsive to poachers and other issues that are around.

I have a great deal of wildlife areas. I have one of the best salmon run areas in Bowmanville Creek, off Lake Ontario; it's a very popular spot. Wilmot Creek is another spot. It's very popular as a recreational thing as well as a sport fisherman sort of issue.

I'm asking this, though: Technically, it's my understanding that there were a couple of complaints on this pilot a couple of years ago that stray dogs were caught in the snares, and then I'm saying, "Well, your dogs aren't supposed to be running loose." Any comment on that? That seemed to be the most logical way of dealing with it, especially at sheep and livestock operations.

Hon. Mr. Ramsay: First of all, I'm still recording your favourite fishing spots here and I thank you very much for giving me that information.

Mr. O'Toole: It's catch and release.

Hon. Mr. Ramsay: I'm going to be out there soon.

Mr. Chair: Make sure you get a licence.

Hon. Mr. Ramsay: I have it right with me. I carry it with me every time. We can display that for the viewers too. I think mine still has a walleye on it; it's that old.

I've heard about that, and that was before my time. I won't be critical. I suppose that at the local level all sorts of programs are tried from time to time. My inclination would be to try less invasive methods of control when it comes to that, or ones that are more specific. I guess I was the first minister to authorize a cull of cormorants. Obviously that was pretty invasive, but a very direct decision, a targeted decision to one particular species in one particular area. Any sort of snaring is very dangerous because you can't control what you catch. I think we have to be very careful when we do these things. That's why we're right now getting the advice of the various stakeholders as to, moving forward, what should be the best ways we approach and manage nuisance wildlife.

Mr. O'Toole: I'm quite ignorant on this, I'd be the first to admit. There are a lot of outdoors people in my riding. I meet with the various rod and gun clubs etc. and try to understand the various issues with respect to firearms. Is there any problem with a farmer discharging a firearm in protection of his livestock on his own property?

Hon. Mr. Ramsay: No, there isn't. Farmers still retain the right to protect their livestock on their farm. If

they're in a municipality that maybe has a certain fire-arms law—

Mr. O'Toole: That's the issue here.

Hon. Mr. Ramsay:—that may be a problem, but as far as the federal and provincial law goes, farmers have the right to protect their livestock from the incursion of wildlife. That then would become a local issue. One of the ways I'm trying to address the nuisance deer problem is to facilitate a discussion, again, and allow municipalities in southern Ontario to make a decision on whether they want to authorize Sunday hunting. I was kind of shocked about a year ago to find that out because, coming from the north, we just take it for granted that you can go hunting seven days a week. I hadn't realized that in southern Ontario that's not the case. We're basically going to give the authority to municipalities to allow them to make that decision at the local level. Some municipalities may want to go ahead with Sunday hunting and some may not. But I guess in the south, the way the issues are here, it becomes a kind of local issue again. So we'll allow that discussion to happen, and then the local municipalities can make that final decision.

Mr. O'Toole: You've pretty well described the circumstance. There's a bit of a conflict in the various jurisdictional areas as encroachment of urban expansion—

Hon. Mr. Ramsay: Exactly.

Mr. O'Toole: What was good yesterday is no longer acceptable. In my riding as well I have one of the few remaining—it's not a preserve so much. It's the Kendal crown lands, which are disputed by different groups, but it is used for pheasant hunts, dog trials and things like that. I don't think your ministry spends a lot of money on it. They put up a fence or gate or something to stop nuisance use of the area, but there are some surrounding neighbours. I've convened meetings with the big game hunters and other groups to try to bring some regulation of behaviour to these things. Do you have any complaints or concerns with respect to the Kendal crown land area, which is a small area usually for pheasant as well as dog trials? We've had a couple of kids' fishing days there in the last couple of years. They used to stock that pond there.

I think it's important to maintain it. That's what I'd say on the record. I think the Clarington game commission looks after the day-to-day operational stuff that goes on there. Are you familiar with that at all?

Hon. Mr. Ramsay: I'm not. We'll find that out for you, John, and get back to you on that.

Mr. O'Toole: The thing is, local persons respect the area. What happens as you become much more restrictive is that game hunters or fishermen or whatever move out to the hinterlands, which would be my riding, and end up causing a hell of a nuisance, really. That's primarily the problem. It's isn't the current and previous users; it's the visitors who don't really respect the surrounding fences who start to chase whatever they're chasing over the fences and into barnyards.

To fill the time here, but to be productive, I did serve for a time on the conservation authorities and knew that

their primary function was in fact flood control; that was primarily it. When on council locally and regionally as well, I realized that most plans of subdivisions deal with applications for what were referred to back then as cut-and-fill, which meant the displacement of water, really. What would you think, as minister, is the primary role of conservation authorities?

In many cases, as in where I have my cottage, there are two authorities. It's on the Trent-Severn Waterway, so it's controlled federally somehow, I understand, as well as by the local conservation authority.

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So if I want to put shoreline improvements on it—it's a federal navigable waterway; therefore fish habitat and all this have to be respected—I end up myself, and I think of broader issues, with a lot of what I call red tape. I don't say that negatively. I think there could be a simplified, one-window, on-line process, just like I got my boater's licence—more user friendly. It would enhance the responsible authority that the conservation authorities have, because we all want to make sure we don't build buildings too close to water. But to get those approvals is almost like running into a brick wall. Maybe they're short of resources for permits and people making application just go ahead and do it. They seek forgiveness, not permission.

I won't give away the location, but this summer I had a small application in my area. I was told, "Forget it." Not too far from where I was, there were people just going ahead and putting huge loads of fill in, which is displacing water if it's not going to stay in this little low area. They said they had permission because of the West Nile scare.

All these comments are generally about whether there is anything your ministry can do to both enhance the understanding and clarify the role of the conservation authorities and to eliminate any unnecessary duplication on joint, overlapping jurisdictional authority.

Hon. Mr. Ramsay: John, I don't dispute what you're talking about the layers of approvals that are required for some of this stuff, with the feds at the Department of Fisheries and Oceans if you want to change a shoreline, our ministry, and then, in areas, the conservation authorities. I'm very interested in this. As I said earlier, this is where I think we could serve the public more efficiently. Last year at the annual conference I made a proposal to the feds that we work more closely together and even look to the point of amalgamating some of these agencies and making it easier and more accessible for the citizen to get these approvals.

I'm very gung-ho on this. I think government should be better serving its citizenry and starting to reduce red tape, and even starting to back up performance like the private sector does. We need to be improving our services, and I certainly encourage the other levels. Right now, we are under discussion with Conservation Ontario to see how we can increase our partnership with conservation authorities. In the meantime, I'm also having discussions with the federal government and saying, "I

think we can do a better job. Why don't we pool our resources and maybe save money for the taxpayer but also make life simpler for citizens who are seeking approvals?"

Mr. O'Toole: I think a good window, regardless of who's the member locally—constituency offices are paid for by the public and I have always said that our offices should be the first place to look, the one stop to shop. We should have all the current brochures and applications, if not the Web site that you can download it from, to be facilitating, as opposed to just being one more step they have to take for us to say, "It's not my job." I don't operate that way. We think we are functional and there to support and assist. So I'd encourage your ministry to work directly with constituency offices, because often constituents don't have access to the Web site or to the Internet. We do, so we can inquire or download forms and assist them that way.

I'd say, if you're speaking to the authorities, make us part of the solution not part of the problem. They see us as just another branch of government. In fact we're not; we're there to be the window to government, in my view.

With respect to that, it's this duplication issue that I mentioned earlier. Often, people don't conform to the rules if they're just not getting a response or a clarification. In one of the specific areas I'm speaking to it absolutely confounded me, because one person seemed to have a permit to do the expansion and the other person was refused. I don't know what the setback requirements were, but the other person just went ahead and did it. When they got the building permit, the building official approved it, because they don't have any jurisdictional authority except over building code regulation issues. That's what's actually out there in the field that the conservation authorities are rightly or incorrectly dealing with, which undermines the confidence of their role.

When I was on the central Lake Ontario conservation board for a few years, I found that they were trying to get into what their core business was. In many cases they were into non-core activity a fair amount, which even further confused people. When they said they didn't have enough resources to do these applications in a timely manner, at the same time, they were out doing various—important educational outreach, blah blah blah. There are a lot of people doing non-core issues, and they need to stick to core business.

When we were government, the conservation authorities' mandate was somewhat redefined—that's probably a kind way to say it; sort of like Ms. Di Cocco's question—to get them on track and focused. I felt that a lot of work in the consultation sense to have the infrastructure of human skills to deal with the many applications, commercial, residential, subdivision stuff—they had enough work to do and could have been used as a consulting group for the municipality. If the municipalities are going to use a consulting engineer, why not use the conservation authority? Give them the legitimacy to kind of stamp these things that would deal with a plan of subdivision.

What's your view in terms of working towards clarifying their central and key functions and trying to eliminate or clarify, if you will—the municipalities don't need to have the same staff approving the same application, going through the same ecological studies or whatever they do. Is there any hope that they can say, "This is our job, and we serve the region of Durham, not just one municipality," or this watershed, if you will? It may even be between York and Durham, for that matter. Is there hope in the future in that clarification of the role and eliminating the duplication between the upper-tier, lower-tier, conservation authority, four or five different groups for every application?

Hon. Mr. Ramsay: There is hope there. There's hope there from what you bring to this and talking about the duplication out there.

As we look at ourselves as a ministry, at what level do we approach the landscape and make decisions? Should we be looking at the big picture and the big policy piece, or do we, as we do today, make permit decisions down at a dock-by-dock level, if you will—at a cottage? Are we the most appropriate entity to do that? Are we the closest to the people to do that? We're having that discussion internally now, but we're also, at the same time, having dialogue with Conservation Ontario, as we think we maybe should be redefining who we are and what we do and looking at other institutions, such as CAs, that play a very important role in water management in this province. At the same time, we're trying to make better client service and get rid of duplication, so that we streamline what we do, make it cost-effective to save the taxpayer, but also just make it more convenient in this just-in-time world. All our time is precious, and to be running around for this and that permit instead of, as you say, one-stop shopping—that's where we've got to get to. We continue to have some challenges in providing better customer service, so we're looking at that. I agree with you, and there certainly is hope. We're driven to do it.

Mr. O'Toole: I just bring most of this up in the context of what we're looking to in the future, the broader issue of source water protection—a huge issue, big-time money. It's all aquifer stuff. It's all pretty much mapping the water resource, trying to determine where or when or if contaminants enter the aquifer or the water course. It's huge. It has huge implications for property rights and this whole process of applicants to make enhancements to what they think is their land.

Your ministry and the Ministry of the Environment have a couple of very important—we saw that as government. I was on the cabinet environment committee in my time when we were government and saw this as about a \$7-billion deal. It was huge. It's bigger than a shoebox; let's put it that way. It's going to have a lot to do with building more obstacles to, in the broadest sense, property rights—what's the maze we're in here? What are the most direct lines to get an answer?

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Everybody will be taking about three years to digest this big balloon called source water protection. There won't be clarification in the regulations and mechanisms

to mitigate or to legitimize these applications that may come forward. I just see it huge, big time, in agriculture, recreation, communities. At the same time, those same people are being challenged by these as-a-right rulings in terms of forced trails and trail uses. Do you understand?

I live in a rural riding. I can hardly do anything on my farm—I don't have a farm, but on the farms in my area—without nutrient management, greenbelt, source water, the whole stack of stuff that's arriving, and more of it, kind of the nanny state arrival. They're true in many cases for all of the reasons I said. It's how do you deal with three levels of any government: municipal, provincial, federal, and then when nobody has any of the answers—they really don't have the science, not on the greenbelt mapping. I could tell you things in my riding that don't make any sense whatsoever. Yet they have to get the Philadelphia lawyer, they have to get all these studies done to validate their arguments in some hearing process.

I am on a bit of a tirade here more than anything, but I'm saying that it isn't in a legislative format where I can actually question it yet, but that's what you're challenged with. Your ministry will probably be one of the leads, working through whatever the agencies will be in monitoring this source water stuff. I remain concerned that at the end of the day, people who live in Ontario, whether they're living on farms or in greenbelt areas, the restrictions on their rights, on their property—they're going to be imprisoned in their own property.

The Chair: Thank you, Mr. O'Toole.

Mr. O'Toole: Thank you for coming. Thank you for being here. Thank you, Minister. Just take that under advisement. I'll be asking you a further, detailed question in the House, hopefully.

Hon. Mr. Ramsay: Excellent. I look forward to that.

The Chair: Thank you, Mr. O'Toole. Thank you, Minister. I now recognize Mr. Bisson.

Mr. Bisson: Oh, yes. Hello. Thank you. Just to touch on something you were talking about, the issue in Pikangikum, you would know, Minister, that the Whitefeather initiative has been underway for some time to identify what the First Nations' values are, as far as what's going on in the forest, so that when we make forest management plans we can take that into consideration. You know that there's an application before your ministry to complete the funding necessary to finish the Whitefeather initiative. I'm wondering if you can tell us when we can expect that funding to come forward, and will it be funded? Will it, and when?

Hon. Mr. Ramsay: It is under consideration, and we've put an additional \$2 million into the NBI program. We announced that a few months back.

Mr. Bisson: That's for across Ontario, right?

Hon. Mr. Ramsay: Well, across the north.

Mr. Bisson: Yes. Not just that area.

Hon. Mr. Ramsay: Yes, but that's basically for the northern boreal initiative. So these applications now that are before us are under consideration. We're very pleased with the uptake in the program, and that's why I've gone after additional funding, so that we could complete this.

Mr. Bisson: I wonder, by way of a question, if you could provide us with a detailed answer from the ministry in regard to when we can expect that funding to come forward for the Whitefeather agreement, and if that's going to meet the expectation.

The other one I'm interested in is the one on the Kenogami forest, because, similarly, there has been some work done with the elders in the area by MNR to identify those places of interest. The same question would go for the Kenogami forest: if we can expect the funding in order to complete the work that has been started by the elders in that area in regard to identifying sensitive areas within the forest management plan as it affects traditional values and others. Can you also give me an answer to that one?

Hon. Mr. Ramsay: Yes, we can undertake to get you some answers for that, as far as the time frames for the considerations for these applications.

The other thing I think I'd like to add here is that it's been a bit frustrating in that I would like to see some additional resources going to programs such as NBI. Maybe you weren't here, but you understand the program anyway. We understand, and the First Nations communities understand, that land use planning is the precursor to economic development. But I, for the life of me, can't get the federal government to appreciate that and understand that and support that. They're all for economic development on First Nations community areas, as I am, but if we could get some more resources there we could accelerate this process, because we have more applications for this than we have resources at the time.

Mr. Bisson: For what it's worth, Minister, I think that's the one area we both can agree on: There's a high degree of frustration with the federal government as it affects First Nations policy. It's abysmal. You were up in Peawanuck. You know very well what I talk of.

Just quickly, a couple of things: Akimiski Island—I don't know if you're aware of where that is, up on the James Bay, just opposite Attawapiskat in the James Bay. It's actually part of Nunavut. Most people don't realize those islands somehow or other were ceded from Ontario some time ago, quite to the behest of the First Nations.

Again, if I can get an answer from the ministry, I'm told by residents of Attawapiskat who traditionally have hunted that area, especially for the goose hunt, that it's been sort of part of the island, the part of the island that they're allowed to hunt on is becoming smaller and smaller and smaller. If the ministry can provide me with where things are in regard to that process, because there's a fair amount of opposition in regard to the community, because that's always been a traditional hunting area, and it seems that First Nations members are having to find themselves on a smaller and smaller piece of land. Do you support that initiative of restricting hunting on that island, out of curiosity?

Hon. Mr. Ramsay: Yes, I do in principle, except it's news to me that you're saying the hunting area is becoming reduced.

Mr. Bisson: That's what I'm being told.

Hon. Mr. Ramsay: I wasn't aware of that, but of the overall principle, yes, that part of it is a reserve and then the rest a game reserve, if you will, and then the other part of it is a hunting area. I didn't realize it's continually getting smaller, and I will look into that.

Mr. Bisson: If you could and get back to us on that, because that's a source of concern.

The other issue raised by First Nations across northern Ontario, and I imagine it would be the same—actually, it would only be in northern Ontario and under the Lands for Life process, and others. There have been set-asides or parks that have been created, and rightfully so. We're trying to set aside for future generations the natural habitat, but often that has been done without the consent of the First Nations. Are you, as minister, planning to reverse some of the policy decisions made by the previous government that excluded a buy-in on the part of First Nations when it comes to the creation of some of these parks?

Hon. Mr. Ramsay: I'm reviewing some of the parks policies that apply to First Nations. You mentioned Peawanuck. That's a prime example. It's probably, in my recollection, the only example where, basically, the park surrounds a First Nations community. Therefore, they've become governed by park law. I certainly was very sympathetic to the argument they were making that their economic development aspirations were being frustrated by the rules of the wilderness park.

The prime example was, and I guess still is, the winter road route and how we have forced them to take a 60-kilometre detour around the park, rather than the direct route that the snowmobile trail takes, in order to facilitate the transportation of goods in during the winter on the winter road system—in that case, from Manitoba. I'm taking a look at that, because I'm very sympathetic that these regulations that are great for managing a park are having a negative impact on the community. We need to be more understanding of that, and I've had discussions with our ministry about that.

Mr. Bisson: I take it there's some agreement on both our parts that we need to find a way to make sure, whenever these kinds of attempts are made by the province to define a piece of land as being a set-aside of any type, that there's got to be buy-in by the local community; otherwise, it just puts us in an awful position for both parties.

The other comment, before I go back to another series of questions, is that it seems to me there needs to be a fair amount of work done in regard to developing policy that would include First Nations to participate in the land planning policies, how we develop and extract resources for lands in northern Ontario, especially those that are affected by them north of 51. Do you have any initiative at this point that you're looking at that would give First Nations a greater say and a greater control over what happens as far as policies when it comes to resource extraction in those areas?

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Hon. Mr. Ramsay: As you know, I'm wearing my other hat now as the minister responsible for aboriginal

affairs in this province. We will be establishing, later this month, a northern table of discussion, where lands and resources issues will be front and centre. Part of that goes to the whole issue of benefit sharing and economic development, and all of that is going to be on the table. I look forward to getting that discussion underway and laying out a framework of how we can move forward with those discussions, because the McGuinty government is very supportive of increasing the economic development opportunities of First Nations.

Mr. Bisson: I'd just caution you on this, and I'm sure you're talking to the same people I am; you'd speak to Grand Chief Stan Beardy, Stan Louttit or whoever it might be. They've been brought to more consultation tables than you can shake a stick at and are somewhat—I wouldn't say mistrusting, because generally the Cree and Ojibway people are very trusting people, and that's one of the things we benefited from over all these years. It has to be more than just a consultation. It really has to be a process where we've got some goals set out front that basically say, "Here we are now. We want to change a regime and we want, in a relative period of time, to have a larger role for First Nations to play when it comes to the issue of resource extraction or management." That is everything, in my view, from permitting to what some of the policies are for contact by mining or forestry companies with First Nations etc. Until we get that, it's going to be pretty hard to do development north of 51.

The aboriginal people want development, but on their terms. We need to figure out what those terms are and how to enact that into some sort of policy. If you want to make a general comment, then I'll move on.

Hon. Mr. Ramsay: Yes. I agree with that entirely. Also, as you know, because of the big proposal that looks to be going ahead in your riding, with the De Beers diamond company at Attawapiskat, that lack of certainty as to what the rules are—you've talked about publicly it many times—slows that development down. We need to get some certainty for both sides, for aboriginal people who inhabit these parts of the province but also for the companies that are making the discoveries and want to start the development. This is very important.

You talk about consultation. It's very important also, though, that we work with our First Nations to make sure that the consultation is appropriate, because sometimes we go in and think, "This is just a quick fix, and we just need to have a few words," and it will come back that they weren't properly consulted. I'm going to be bending over backwards to make sure, on the side of consultation, that we do the right job, that everybody feels included in this and that everybody buys into the form of consultation we move forward with. That in itself is very important, and we should never neglect that.

Mr. Bisson: I don't disagree. I agree with you, but I just caution that going into this we have to have some stated goals. We can't just go in to consult for the sake of trying to do the right thing. We have to have some very clear goals about where we want to be and a reasonable amount of time to be able to get there.

Just on another issue, you will know that at one point there was an initiative between SNC-Lavalin, Tembec and Moose Cree First Nation to develop the Mattagami River basin project. That's now happening with OPG. As you well know, Ontario Power Generation has now taken the lead and is basically working to negotiate an agreement with the Moose Cree First Nation as far as the next step; how we develop. I think at the end they'll probably get a better deal from the crown than they would otherwise. My question is, is your ministry actively involved in that process, in those negotiations?

Hon. Mr. Ramsay: About two weeks ago I wrote Stan Louttit a letter basically opening the door to that. I had a conversation with him on our way up to Peawanuck, to say, "What would the best approach?"—to address the first part of your question—"now that OPG is interested in developing the Mattagami River?" As you know, that's a river where the infrastructure is already in place, and it would just take some internal changes to generators and adding turbines to make it work and produce a lot of power. I talked to Stan about that and wanted to find out what the interest might be there, and also then to talk about the mechanism to start the discussion toward development of the four northern rivers.

Mr. Bisson: Which would be the next step after.

Hon. Mr. Ramsay: Which would be the next step after. It seems to me that because the Mattagami would be the easiest one to get going on because of what I've just said—the infrastructure is there—it's a quick way to get some power going, but in the more medium term we've got to be starting to talk about, and I've put it there, the Mattagami River basin.

Mr. Bisson: Just to be clear in my question: I know that OPG is actively in discussions with Moose Cree First Nation. There's been a change of leadership, so they've had to go back a bit to the drawing board. But is your ministry party to the negotiations, other than, just like myself or yourself, being talked to about it, lobbied?

Hon. Mr. Ramsay: No. The Ministry of Natural Resources is not a direct party to the negotiations between OPG and the tribal council in regard to Mattagami. I had said to the president of OPG that I would help him in starting to open the door to those discussions and act as a facilitator in my role as minister of aboriginal affairs for the province and also to bring the idea forward, as I did with Stan Louttit, in regard to the four northern rivers. But on a day-to-day basis, no, when it comes to OPG and Mattagami, because I have yet to hear an answer from the tribal council as to how they might want to approach discussions on the four northern rivers.

Mr. Bisson: Different ministry, but your other hat: Under ONAS, are you involved in that at all? Are they involved?

Hon. Mr. Ramsay: I've written a letter to open the door.

Mr. Bisson: So not under the ONAS hat.

Hon. Mr. Ramsay: Under the ONAS hat, or OSAA, as we call it now, we might be, depending on the answer from Stan. We'll see how that evolves. All I've done is put the idea out that the government of Ontario would be

willing to discuss the development of the four northern rivers: "What do you think of this idea and how would you like to proceed?" That's where it is at the moment.

Mr. Bisson: Just the last point on that, and you don't need to comment: For whatever it's worth, myself, Howard and others are very supportive of the OPG approach to this. We don't believe that it should have gone into the private sector. Doing it under OPG is a good thing. I think we can, in the end, get a better deal for First Nation by doing it with OPG. I think OPG is in a much better position to negotiate some of the issues that would be very difficult for the private sector to negotiate with Moose Cree First Nation. If we can make that a good agreement, one that all sides are happy with, I think it goes a long way to setting up what would then be the structure for the next level of development, wherever that might be. So we're very supportive and glad that the government has seen fit to go to OPG rather than staying the other way.

Let me ask Bill a question, now that he's back—I started somewhere else because you were gone. In the discussions around Chapleau, Elk Lake and Hearst, were there any amendments done to the forest resource licences or the forest resource processing licences in those mills?

Mr. Thornton: Not that I'm aware of. Sorry; any amendment to?

Mr. Bisson: To the original licences. If you increase production or decrease production, does it normally take an amendment to the licence?

Mr. Thornton: In terms of any change in the productive output, and there would be changes to some of the data that we rely upon for that measure of their productivity, there would be changes in that respect, so they would report to us, in this example, an increase in their throughput from that.

Mr. Bisson: OK. I go back to the minister now. I don't know if you want to go here, but I'm going to try it anyway.

It's clear as you read through the act—and I go back to the point I made earlier that the act sets out by way of the purpose clause how it is to be interpreted as to the basic principles when it comes to how we do everything in this act, from granting an SFL licence, to managing a forest management plan, to dealing with forest resource processing licences, pretty well all set up in the same way. When you go through the act, in pretty well every section it talks about, for example, that in developing a forest management plan "the minister shall ensure that a forest management plan is prepared for every management unit," and then sets out the principles having regard to the plant life, animal life, water, soil, air and social and economic values in the forest management plan. The same thing rings true for pretty well everything else under the act. I'd like to hear what your comments are in regard to what you believe social and economic impact means in regard to this act. What does that mean to you?

Hon. Mr. Ramsay: What that means is, does the harvesting of the resource support the economic and social activity of communities?

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Mr. Bisson: Thank you. That's a good answer. That's what I was looking for. If that's the case, I go back to my original question: Why didn't you do that in the original decision?

Hon. Mr. Ramsay: I take it, without your naming it, that you're getting into a specific situation that's before the court—

Mr. Bisson: Yes, very specific.

Hon. Mr. Ramsay:—so I can't address that. Again, you seem to be confusing forest management plans and licences. They're two distinct processes.

Mr. Bisson: I hear the defences; I've read all the transcripts. What I'm saying is that if you look at the act, it's fairly clear. It sets out what the regime is. The various licences, including forest management plans, have to be done under that purpose clause. All I'm saying is that it seems to me that if I had been in that position, where all of a sudden somebody comes to me—in this case from Tembec—and says, "I want to take the wood away from Opasatika and transfer it up to Hearst," I would have taken an intervening step and said, "All right. You no longer want to operate that mill. We understand that. That's a business decision." We can't tell Tembec what mill to operate and which one not to; nobody argues that. But I would have taken an intervening step and said, "I first want to see if anybody wants to utilize that wood in order to do something else that might be of benefit to that community." Only if nothing comes forward in a reasonable amount of time, and you set that out in whatever process you undertake, then the transfer of the wood could go to Hearst. I guess that's the problem we're having.

I know that you can't comment, but for the record I just want to say, and I'm not going to spend a lot of time on it, that that has been the big disappointment. If you talk to the mayors—except, obviously, the mayor of Hearst, who was the benefactor in this particular decision. I respect him and understand what it means to that community, although they're going to lose, when Tricept goes down in the not-too-distant future, about 60 jobs there because they were dependent on Excel, out of Opasatika. But that's another issue. If you talk to all the mayors—J.C. Caron, Réjeanne Demeules, M. Bourgeois—if you talk to any of them, from Mattice or wherever, that's the nub: People are saying, "We wanted to be given the opportunity, something we've always had in the past, and we didn't get it." If you talk to the unions, to Communications, Energy and Paperworkers' Gerry Meyer, to the Steelworkers' Guy Bourgouin or to any of them, that's the nub of the issue as well. They felt they never got the opportunity. If you speak to groups like STRONG—Alan Simard, and Ben Lefebvre and others who are involved in that—people really feel that they never got the opportunity.

If you're getting a fairly rough ride in northern Ontario on this particular issue, the one piece of advice I've got to give you is that you really don't want to go down this road of saying to forestry companies, "You can get

access to the wood. We see this SFL as being yours to do with as you want." At the end of the day, what you're going to end up with is a few supermills that may benefit a few communities. For example, with the Tembec operation, in discussions I had with Tembec three years ago, when they first came to me about wanting to close down the Kirkland Lake mill, at which we had a battle, with you and I both on the same side to save that particular mill, I took the position then and there with them that, no, we would not support a supermill initiative. If we allowed a bit more production to go into Timmins, we might be the benefactors for a year or two, but down the road, Tembec basically told me that they would be down to two or three mills in northeastern Ontario. Who are going to be the winners, and who are going to be the losers?

We're having enough trouble in northern Ontario trying to keep some of our smaller communities alive, and losing the only employer in town certainly doesn't help us to move forward. If I can urge you in anything—I just do this as a fellow northerner, and I'm trying not to be too competitive at this point—I urge that you rethink what we do from here on in, and that we take a look at what the benefit is, not only for the shareholders of a particular company, but what it means to a community. Sometimes the community values or needs outweigh the needs of the shareholders. That's the nub of what people are really upset about. They look at Excel. I think it was the second most profitable production facility in the Tembec line. It was making money, and they ended up being shut down. The remarkable thing about Excel that people need to recognize is that the men and women of that plant worked in that plant to the very last day. There were no accidents, nobody tried to pull a compensation case and there was no sabotage in the plant. It was a very professional workforce. To the very last minute, they operated that plant at maximum efficiency. When we lose those kinds of workforces and those kinds of synergies within plants, I don't think that benefits any of us in the longer term.

I just say, on behalf of the people I represent and the people you represent, we really need to go back and rethink what our policy is going to be from this point forward to make sure that at the end, yes, we need to take into account what shareholders need. That is part of it. But you need equally to look at what it means to communities. And sometimes, if those two issues are conflicting, I would much rather jump on the side of the community, because we're all northerners and we know what it means when those jobs are lost.

The last thing, and this is just my little bugaboo; I've had this fight with Tembec. It's kind of a funny relationship with Grant, Tembec and others, because sometimes I'm fighting against them and sometimes I'm fighting with them. In fact, I sat down with Terry Skiffington the other day, talking about energy issues, and we agreed that we can work on that one.

Part of the problem I see is that we've gone down the road—and it started some time ago; this is not your

fault—and successive changes in industry have made it so that fewer and fewer players are left standing. So what we're going to end up with is that, rather than having however many Domtars, Tembecs, Grants and the rest of them, we might be down to three, maybe four, major companies, maybe less than that. At the end of the day that's worse for northern Ontario, for a number of reasons. Aside from having supermills, it means all of the decisions are made outside of northern Ontario. All of the corporate decisions about purchasing, engineering, processing facilities or whatever will no longer be made within the community.

You grew up in northern Ontario like I did, when plants were owned by the Malette family, the Lecours and others, where decisions were made in the community. The person who owned the mill lived there, and the decision was made there. The purchasing was done locally. The people who worked in the head office worked and lived in those communities. Now we find that very little of that added value of employment is being done in northern Ontario when it comes to the administrative side of running a paper mill or a saw mill or whatever it might be.

So I just caution you, Minister, that as northerners, we need to stand together in this particular fight and say that we can't entirely buck the trend of the global economy, but at some point we need to develop policies that are favourable for northern Ontario, and that is to make sure that we look at the benefits for the communities, not just the benefits for the shareholders of that particular industry.

I take it that's my 20 minutes?

The Chair: Yes it is, Mr. Bisson. I'd like to recognize Ms. Di Cocco, please.

Ms. Di Cocco: I just have one quick question from this side. The question is actually for the minister. In southwestern Ontario and even in my riding—about 20% of my riding is agricultural. I hear the farmers talk about crop damage that sometimes results from this increased deer population in certain areas in southern Ontario. The question I have is about the measures the ministry is taking to assist farmers in dealing with this crop damage, because in some areas it's fairly significant. So I just ask the minister to tell me what measures we're taking.

Hon. Mr. Ramsay: This has been a challenge all through southern Ontario, especially in those agricultural areas where deer are coming on to farms and basically destroying crops. Obviously, it angers the farmers that this is happening to. The ministry has been working with the farmers over the last couple of years to find some new ways of managing this.

Besides the traditional ways of managing recreational hunting and increasing, in this case, the opportunities to hunt more deer, we've gone beyond that to a deer removal system, a permitting system that farmers can apply for to remove deer from their property when this happens. If they're not hunters, they can hire people to do this for them in order to protect their crops. So we've gotten into that permitting system to help alleviate this,

because this is a big problem. We're constantly reviewing this and improving our programs to do this.

In any one year, Mother Nature could take care of this, and all of the sudden you could have a big decline in the deer population, but we haven't seen that in the last few years so we're having to take these extraordinary steps. The population will get to a point where something will happen. There will be some stressor in the population that will lead to a decline and, again, Mother Nature will take this into her own hands. Either it will be a lack of food sources or disease will start to happen if the population starts to get overcrowded.

Another reason is that we want to take more proactive control, as we do in some of our provincial parks where we have culls to protect the park. So we took a very proactive approach on this for the sake of the wildlife species, but also to make sure we protect the economic interests of the population.

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Ms. Di Cocco: There's also another area that concerns me. Where I live, we have a huge field in the backyard and then some forest. It's as if you're out in a farm area, but it's not quite a farm area. There are lots of wild animals that you see out there. Sometimes you see a fox running and of course there are lots of raccoons, squirrels and rabbits. It's fairly—how do I say it? It's part of the urban area but it's very open. When my kids go outside to play and there are all of these animals, we always worry about rabies. If one of these animals should attack the kids or whatever—not that they do that all the time—I'm just afraid they'll try to catch them. They come fairly close to the house and so on, but they are wild animals.

I note that Ontario is considered a world leader in the fight against rabies in the wild. Minister, what efforts are you making to combat the deadly disease when it comes to these animals in the wild?

Hon. Mr. Ramsay: I'm very proud of the work that the Ministry of Natural Resources and other scientists in the province have done to mitigate the risk of rabies. As you know, it's a disease, like many other new ones we're finding now, that originates in the animal kingdom and can transmigrate to human beings. As I said earlier, New York state and Ontario are basically the epicentre of this disease. Thank goodness that through the good work of the ministry we've been able to contain it, by and large.

I had the privilege of going to Stratford last year. I think it was about this time of year. It was in the fall and during the rabies bait-drop program. That is an invention of the Ministry of Natural Resources—not only the idea of delivering vaccine from airplanes and dropping it over a wide landscape, but also how the vaccine is delivered in a solid form, in a bait, if you will, that the animals eat. This is again a very proud accomplishment of Ontario. In fact, it's so great that other jurisdictions ask for our support and advice. We've sent down our Twin Otter in the off season to Texas, Florida, New York state and other jurisdictions. Not only have we done a bait-drop system program in some of these jurisdictions but we've also shown the other jurisdictions how to do this so they

could carry on their own program. So we're quite a leader in this.

We keep working on improvements to vaccines. While vaccines to date have been species-specific, there has now been developed a combined vaccine that's going to be available soon and we should be able to put it out for all vector rabies species. So we're really making great inroads in this and, thank goodness for all of us, we've been able to contain the disease.

Ms. Di Cocco: Thank you, Minister. I really have no more questions for the minister.

The Chair: We'll recognize Mr. Bisson, if you'd like to ask a few more questions.

Mr. Bisson: Actually, I've got a few more and I know our leader, Howard Hampton, would like to be back. He's on his way back in.

Minister, estimates: In 2003-04, the Ministry of Natural Resources capital budget was \$111 million, when you took office. It's now down to \$53 million. So more than half of the capital budget has been taken away. There's \$28 million that you're going to be putting into the roads. Is that going to be part of the \$53 million or are you going to add it to the \$53 million?

Hon. Mr. Ramsay: No. As we discussed earlier, that will be new money coming to the ministry. We just haven't decided how it will be accounted for yet, but it obviously will be. It's new money coming from finance.

Mr. Bisson: So if I look at next year's estimates, I would expect to see \$53 million capital plus at least another \$28 million for the roads.

Hon. Mr. Ramsay: Again, it will be accounted for properly. It's \$28 million in new money. It's not counted in those figures you have in front of you.

Mr. Bisson: I understand that. You're saying that we had a capital budget, when you came in, of \$111 million. It's a little bit less than half of that now. It's \$53 million. All I'm asking is, next year, when I look at the estimates, I would expect capital dollars to be somewhere over \$53 million plus \$28 million.

Mr. de Launay: Just to help with that, you'll see—

Mr. Bisson: Your name, please.

Mr. de Launay: I think I've been introduced for the record. David de Launay, the chief administrative officer.

You will see not only next year, because this is an ongoing funding program, but also in our interim actuals for this year, when we go through for next year—our estimates were tabled prior to this funding being available, so when we do our interim actuals, you'll see this \$28 million in our budget as well.

Mr. Bisson: So it should be in addition to what we see.

Mr. de Launay: That's correct.

Mr. Bisson: With regard to the \$50 million a year that was announced as part of—what do you call that fund again?

Hon. Mr. Ramsay: Prosperity fund. You mean \$150 million?

Mr. Bisson: The \$50 million per year. You're not going to budget for it one year, right?

Hon. Mr. Ramsay: Well, whenever they come, we'll find the money.

Mr. Bisson: That's like saying I'm going to make \$1.5 million in salary in the next 20 years.

My question is, for next year, the \$50 million, of the \$150 million you're putting over three years, I could expect to find that also within—I guess it would be on the capital side. Where do you put that? It's not on the operational side. It would have to be capital, right? How do you account for that? I'm just kind of curious.

Mr. de Launay: Because it'll be expenses, it will be expenditures. So it will probably be on the expense side.

Mr. Bisson: OK. That answers that question. And not the same would hold true for the \$10 million for the inventory initiative? Go ahead, Bill.

Mr. Thornton: The funding for the \$10 million for forest resource inventory is a bit more complicated. What we've announced there is that we would be paying for that through the forestry futures trust. So there would actually be an increase of \$10 million in the stumpage-related component that companies pay now as they harvest timber into the forestry futures trust. Then there would be an equal offsetting reduction of \$10 million in another stumpage component, such that there would be \$10 million less revenue to the consolidated revenue fund. So at the end of the day, there's \$10 million that's been placed into a forestry futures trust that will take on the inventory work, and there's \$10 million less paid by the industry into the consolidated revenue fund.

Mr. Bisson: That comes from the stumpage?

Mr. Thornton: That's right. So from a company's perspective, it's a wash. They're not paying anything more, and the cost of inventory has been taken on by the government.

Mr. Bisson: Is it also a wash for the province, though, if you look at it that way?

Mr. Thornton: No. It's a net loss of \$10 million revenue to the province.

Mr. Bisson: Because, of course, it goes to general revenue.

Mr. Thornton: Right.

Mr. Bisson: That's right. OK, gotcha.

Going back to the issue of transportation, you must be getting the same calls as I'm getting. Basically, contractors who are in the bush are finding it increasingly more difficult to make ends meet. I had somebody contact me the other day who was a contractor for Grant forest products for the Timmins mill, who basically saw their price go down by about \$3 a tonne from what they were paid over last year. As you know, costs didn't go down; they're actually going up. So aside from Tembec, Grant, Domtar and Abitibi, etc., are there any initiatives that you have within the ministry in order to take a look at how we can give those contractors in this particular business a bit of a fair deal? Let's start with just a general comment, and we'll hunt it down after.

Hon. Mr. Ramsay: We don't, but we've just given relief to the companies involved here: \$28 million plus \$10 million, \$38 million relief, ongoing expenses, year

in, year out. So the companies have more money now to pay for delivered wood costs. Obviously, those independent truckers who they rely upon—

Mr. Bisson: I thought it was a wash. I thought the explanation I got earlier—

Hon. Mr. Ramsay: You were talking about the ministry. I'm talking about the companies' relationships with contractors.

Mr. Bisson: I'm a little bit confused. Just to help me out: What I heard Mr. Thornton say earlier was, from the companies' perspective on the \$28 million, it's a wash.

Mr. Thornton: No.

Mr. Bisson: That's not what you were saying?

Mr. Thornton: From the companies' perspective on the \$10 million for forest resource inventory, it's a wash.

Mr. Bisson: That's a wash. OK, gotcha.

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Hon. Mr. Ramsay: The companies have been enriched by \$38 million, between the assistance on road maintenance and forest inventory. So they have a little more money, but also, they cannot expect their independent truckers, who provide the raw materials to feed their mills, to continually eat the increase in costs themselves. This will have to be passed on to the cost of production. It's one of the pressure points we have been talking about: the cost of fuel, the cost of insurance etc. So that will have to be passed on to the consumer through the manufacturer.

We had a bit of an uproar in that industry about a year ago. I basically facilitated some discussions there with my parliamentary assistant, Michael Brown, to try to get the two parties talking again. Obviously, the truckers depend upon the companies for their livelihood, but so do the companies depend upon the truckers for their supply of raw material.

Mr. Bisson: There was an example of everybody working toward the same thing, because I was doing the same. That was actually helpful, that we were all going in the same direction.

Coming back to the point, you say \$38 million. As I understand it, it's \$28 million in savings for industry. If the \$10 million is a wash, we're at \$28 million.

Mr. Thornton: Let me go back through this one more time, because it's important we get this right for the record. With respect to forest resource inventory, the \$10 million, from the companies' perspective of their stumpage payments, is a wash; they're not paying any more than they ever did in total. However, they have saved \$10 million of expenses that would otherwise be theirs.

Mr. Bisson: All right. I stand corrected, so \$38 million. The minister is right, for once. I can't believe it; I was wrong.

Hon. Mr. Ramsay: "Again" you should have said.

Mr. Bisson: I can't believe it. Something's wrong here.

Hon. Mr. Ramsay: My staff tell me, "You're always right, Minister. Minister, you're right again."

Mr. Bisson: I just wanted to clarify. I just wanted to make sure I understood it.

My point is, what guarantees do you have from industry that that \$38 million in some way, shape or form is going to find its way to the pockets of those contractors who are having to use those roads and having to cut the timber?

Hon. Mr. Ramsay: It is not my business to tell the companies how to run their business. It's the companies that came forward with the ideas and suggestions, through the council report, as to how the government could help the industry, and I'm responding to those. Those are the initiatives you saw last week.

This is obviously an internal issue with companies, and we saw it blow up a year ago. Again, I acted as a facilitator to get the companies working with their independent truckers. Some of the companies made some fundamental changes with fuel allowances that would reflect the increased cost of fuel, just like airlines do when they add on to your ticket when fuel charges go up. That's the business of the companies.

Mr. Bisson: So at the end of the day, whatever saving industry has gotten, there are no guarantees that that's going to make the life of the individual contractors any easier.

You know as well as I do that part of the problem is that most of these contractors are working for prices that are below what they were being paid 10 years ago. You know that because the same people who walk into my office walk into your offices in Kirkland Lake or Earleton, wherever your offices might be. They're really feeling the squeeze. How many of them do you know? I know a number of them who have gone under, not because they're bad business people but because the price they're being paid is just so tight that if anything happens—you get a bad allocation of timber that year, where the timber you thought you had, you don't have, and you're not making the money you need to make; you have equipment breakdown; or the planning of building a road is not what you thought it was and it's more expensive—you find yourself going in the hole.

At one point, what I think we need to turn our attention to within the ministry and within this Legislature is some sort of initiative or something that looks at giving some of these people some type of relief. I'm not quite sure exactly how you do that. I've got a couple of ideas, but I'm just wondering, is there any appetite with your ministry or yourself and your political staff to take a look at some sort of initiative that could make life a little bit easier for the general contractors who work for the lumber industry?

Hon. Mr. Ramsay: What I've been trying to do, and am continuing to do, is to give relief to the industry as a whole. That's what phase 1 was about, what phase 2 was about, and phase 3 from the feds. But also, we are continuing to work with the industry to try to find savings. I know we've got a slew of administrative changes that we're going to be bringing forward. That's going to start again to contribute to lowering the cost of delivered wood. How the companies orchestrate their business is really their business. It's not for me to say,

"You, as an independent trucker, go have your own trucks." That's going to be the decision of the companies. With supply and demand, they need those raw resources and they're going to have to pay for them. It's a competitive business and they will pay the going rate because they want the material.

Mr. Bisson: The basic problem is that whatever relief has been given in this package for companies like Tembec is not going to do it for them. I sat down with them on Friday, and they were telling me that for their operation in Kapuskasing, this doesn't do a heck of a lot to help them. They're still having the same problem today that they were last Wednesday. Whatever relief you've given is minimal at best, depending on what company you're working for.

I come back to the second point I said earlier, which is that we're going to where, more and more, the forest sector is being controlled by fewer and fewer companies. As we go that way, we're moving toward no competition. If the same person who controls the forest in Hearst is the same person who controls the forest in Timmins or Chapleau, where does this contractor go if he doesn't think he or she can get a good deal with Tembec?

We've created, over the years—and all governments have had a hand in this, so I'm not pointing fingers here—a condition where companies are becoming larger and larger and control more and more of the forest and, by doing so, are able to call the shots when it comes to the contractors. It seems to me that we need to do some readjustment of programming or policy in some way to give some relief to the smaller contractors, either on the fuel, insurance, or some form of regulation or rules that we put in place on how they're dealt with. I'm just asking if there are any initiatives in that direction.

Hon. Mr. Ramsay: You're pointing the blame at certain companies, and I think we need to have a frank discussion about whose fault maybe all this is. I think we, as northerners, have to take the blame because we have given up our forests to the big multinational companies. I can think of one big exemption in the northwest with Ken Buchanan from the north, who has built an incredible company in northwestern Ontario. You named many of the very famous northern families who built a strong and proud forestry products tradition in northern Ontario. Family after family, generation after generation, finally sold out to a multinational, and that's where we find ourselves today. Northern families are no longer the owners of these companies, so today, as the Minister of Natural Resources, I don't deal with those companies any longer—the Fontaines or the Mallettes or any of these companies, and you mentioned a lot of them. I deal with basically three main sawmillers in the province. Two have their headquarters outside the province and one, bless his heart, still lives and does his business in Ontario and is an Ontario company.

That's the era I find myself in, and we have to adapt our policies to that. That's the nature of business and, while I can lament about it, the reality is that this is what it is, so on a day-to-day level, I deal with this situation

and these companies. I want to make sure these companies thrive because it's these companies that provide the employment for Ontarians.

Mr. Bisson: However, the problem—and I think we can agree on this—is that the fewer companies left standing, the more control those fewer companies will exert on what happens with the fibre in the forest, how it's harvested and dealt with from that point forward. It seems to me that, at one point, we need to take that into account as a Legislature and as a ministry and ask, "Is that policy the best policy for northern Ontario and Ontario in general?" I would answer no. I think healthy competition in the private sector is what makes it work, and where we're going, there's no competition. I don't know how that works. That's worse than having a state-run forest industry, to be left with one private entity standing in the end.

I would just say that we need to start turning our attention to it. You're the minister; we're looking for some leadership from you. You need to start thinking about how we position ourselves in the coming years—because we know where the industry is going. You're going to be left standing with one or two major companies in Ontario, and what do we do when that happens? It's like the turn of the previous century, in the 1800s, when you had just a couple of large companies controlling all of the oil industry. At one point, the government walked in and said, "We need to break that up because it's bad for the economy." I hope we don't end up in that position again, but it seems to me that we've got to start thinking about it now because the symptoms are certainly there.

1430

I've got a number of questions with regard to the aggregate act, if I can get to it. I've got a series of questions. You could maybe take these and copy them after, but I'll read them for the record. If I can have the ministry provide me with an answer to the following questions.

One of the questions is that the Pembina Institute documented in a report, *Rebalancing the Load*, that the last comprehensive and publicly available assessment for demand for aggregate resources in Ontario was completed by MNR in 1992. Is that claim correct? What's the status on that? When can we expect MNR to provide Ontarians with a comprehensive review of the demand aggregate resource industry in Ontario?

The other question we would have—I can table this if you want, Chair. Would it be easier just to table it?

The Chair: Please.

Mr. Bisson: Rather than read all of the pages, I would like to table this document to research, and we can get the ministry to respond to these particular questions.

Hon. Mr. Ramsay: We can do that.

Mr. Bisson: OK. I'll pass you a copy of this.

Minister, with regard to job losses in northern Ontario, do you have a handle on how many jobs have been lost in northeastern and northwestern Ontario in pulp and paper,

the sawmill sector and the board sector? If you could provide us with that.

Hon. Mr. Ramsay: I think it comes to about 3,900 jobs in the last two years.

Mr. Bisson: So our numbers are actually agreeing. Does that concern you?

Hon. Mr. Ramsay: Very much so.

Mr. Bisson: If it concerns you, I guess I come back to the point of this last announcement made on Thursday. With most of those companies that we talked to, electricity is a big part of the picture. For example, in your own constituency, the announcement of a permanent shutdown was done at Rexwood on Thursday, I believe, the very day that you were making the announcement about your package. One of the reasons given by the company was electricity prices. I'd just come back to the point: Why are we not trying to find some sort of permanent solution when it comes to reducing overall electricity prices for these particular companies?

Hon. Mr. Ramsay: Electricity prices are one of many input costs that the companies have to deal with. As you know, in that particular commodity of particle board—and this is low-density particle board, the Uniboard that we used to call Rexwood that the old town of Haileybury produced is in a market that now competes with countries such as China. China is throwing this commodity out on the market faster and cheaper than we can make it. A lot of our plants are no longer competitive in this particular commodity.

Again, the industry has found itself caught out by this new international competition and, unfortunately, hasn't been able to renew itself in time to save its operations. Many of the most progressive companies in the world are always striving to do better all the time, even if they stay on top of their game. Unfortunately, many in this industry haven't.

In fact, I've had some discussions with that company as of late and they're doing some research now on other products. It's late, but it's good that they're doing that. We have lots of sources of raw materials in this province and we can make a lot of products, but we have to make sure we're making products that are in high demand. That's what's going on right now, and it's unfortunate that world events have caught up and superseded the speed of our companies' ability to adapt. This is where we're stepping in, encouraging and supporting the companies that are doing that. We're saying to them, contrary to some spokespeople that, "If I hear the word 'modern' one more time—I can't take it any more," we have to make sure that we have the best plants in the world producing products that are in high demand.

As you probably know, we have a company out of Montreal, another company from outside the province, by the name of Kruger, and they're proposing to build an oriented strand board plant in this province. That plant is controversial because of how much material it's going to use and also because it's going to supplant two present operations that have more workers than the new entity will. But the new entity will sustain the jobs there for the

next 30 years because it's producing a product that is in high demand.

We're in a transition, and it's going to be difficult. There are a lot of factors at play that have made this transition happen. The McGuinty government is here to support that transition and make sure it's as smooth as possible and that we retain as much employment as possible.

Mr. Bisson: Would you say it's fair that your decision on Thursday was insufficient to stop the closure in Rexwood?

Hon. Mr. Ramsay: My decision and my announcement on Thursday had nothing to do with Uniboard's decision on Thursday, because that particular decision has been based on the company's inability to compete with a product that comes out of China at a third of the cost. It's very difficult for that particular commodity. What we're going to have to do is change what we do. Again, we're not going to be producing as much newsprint in this province; we're not going to be producing as much particleboard. We're going to be changing our products; we're going to be adding value to our products.

That plant has been there for years and has never produced a product that, say, laminates that, as I've just seen at Flakeboard in Sault Ste. Marie, where we have just had a grand opening of a particleboard facility. It's an auxiliary laminating plant, because this company has been very progressive in producing a medium-density board of better quality, laminating that product and positioning itself and its product into the United States' mid-states market. That's the type of activity we want to see, and this company went ahead and did it, and the other company didn't. I'm hoping with the program that I announced on Thursday it will give some impetus for companies to be more creative in their thinking and to re-examine and reinvent the products that they produce.

The Chair: Thank you very much, Minister. I'd like to recognize Ms. Di Cocco.

Ms. Di Cocco: I have a question about wolves. There has been a perception for such a long time that it was kind of open season on wolves. I think there was a lack of understanding, if you want. We talk about stigma when it comes to animals, and I think wolves are a species that has certainly had a bad rap over many years. The question I have, Minister, is, I believe there are some protections now being put into place. I certainly would be pleased to understand what those protections are, since, as I said, we hopefully are a little bit more knowledgeable about this species. I think we have a greater level of respect for the species.

Hon. Mr. Ramsay: That's a good starting point for me, when you talked about a greater level of respect. I was a bit surprised. As a layperson, I just presumed that all species were regulated, that we had some rules or regulations in regard to how we manage each species. Basically, with wolves, we didn't. Now that it's history—only recent history—but just before this year, there was no regulation of wolves, so that meant that if you had a small-game licence that is very easily obtainable, anyone

could shoot any number of wolves any day of the week all year round. That was it. It was like open season on wolves.

I guess this is probably just something that was ignored because, as you talked about, in the past there was a real stigma about wolves, especially as the pioneers came in to Ontario and started to establish an agricultural base in the south, wanting to raise livestock. Wolves were seen as the enemy, so much so that we even paid people to kill wolves. We called that a bounty. The bounty was quite high at times, but I think in recent years has got down to about \$50 a head, if you will. That's the way we treated this particular animal.

It's kind of interesting, because now, with our greater environmental awareness, I think the wolf is seen as one of the symbols of wilderness for a lot of people. I certainly felt, probably with all of the creatures that inhabit this earth, that they all deserve regulation, and why not the wolf? So what we've done, after consultation with the hunting community and with the environmental community and other ones, people that are interested in this, is establish some ground rules now when it comes to wolves.

One of the things we've decided to do is prohibit the hunting of wolves during the rearing season. So while wolves are raising their pups, we prohibit hunting. Instead of an unlimited licence to hunt wolves, we now limit the harvesting of wolves to two a year. And you can't just do it through obtaining your small-game licence; basically, you have to come in to a district office and apply for a wolf licence. So if you really want to go shoot a wolf, you've got to come see us and get a licence, and you can get up to two of them.

What it stops is that sort of indiscriminate killing that was going on that we call opportunistic, that somebody is out hunting something else and they saw a wolf, and, as some would say, they "popped" the wolf just because it was there and because they could. So we brought some rules to this now, and deservedly so, because I think all species deserve protection.

You talk about the deer problem. Well, part of the deer problem is that we don't have enough of the predator species for deer—that's the wolf. That's been part of the problem: We've kind of decimated the wolf population, certainly compared to what it was in the old days, that kept the deer in control. Now human beings have become the predator for deer. But in the natural way of things, before we were on the landscape, it was all in balance and the wolf was the main predator. So we brought in that regulation, and I'm very proud of it.

1440

Ms. Di Cocco: Thank you. One of the things that I always look to is the legend of the she-wolf and the founding of Rome, so there's kind of an honourable, if you want to call it, symbol of wolves. I always go back to that.

One of the other areas that is of interest is the Niagara Escarpment plan. It's been revised, and I believe that it strengthens the protection of that escarpment and pro-

motes tourism. I certainly am quite interested if you could tell the committee how that revised Niagara Escarpment plan promotes tourism. As I said, I know that the minister is very adept at changing topics from wolves to the Niagara Escarpment, so I'm sure that he'll be able to enlighten the committee on that aspect.

Hon. Mr. Ramsay: Absolutely, and it brings to mind how, as a member for many years from northeastern Ontario, I thought I knew what MNR did. I certainly had no grasp of the totality of the scope of the issues that MNR has within its ministry. The Niagara Escarpment is one of those. As a northern person—I guess I did, as a legislator, understand that the act comes out of this ministry, but it's one of those areas where the MNR has played a very important role. The Niagara Escarpment is an accomplishment that we all around this table can be proud of, because it's all three political parties that support this. It was a creation that came out of the Bill Davis government in 1975, and it's been solidly supported by all governments and I'm sure will continue to be supported.

I would say to the member, John O'Toole, that I think the greenbelt will some day be seen in the very same light as the Niagara Escarpment. At the time, it was the Bill Davis government that brought it in, but what happens is, very quickly it becomes the people's mechanism. I think the people of Ontario feel a sense of ownership with the escarpment, and some day I know the people of Ontario will have that same sense of ownership with the greenbelt.

As the member is alluding to, nothing is ever perfect. Every 10 years we revise the plan that basically governs the escarpment commission. We've just recently completed one of those plans. One of the issues down there that's related to tourism is wineries. Part of the winery side is not just producing wine for retail sales in the liquor commission stores or the other wine stores, but the opportunity that wineries can present on-site in the escarpment area in offering wine tastings, restaurants and related social activities surrounding wine. That's one of the great activities for tourism in this particular area, that you can go down on any given day and enjoy the wineries there and the beautiful area of the Niagara Escarpment region.

Part of that debate was, again, to find some balance. How much do you allow the wineries to build for these auxiliary services that provide a great boost to tourism? We're always trying to find a balance, and I think we've done that with the latest plan revision in controlling and limiting the size of these expansions—what the square footage should be for restaurants—and finding new ways of providing wine tasting opportunities with a bit of food without requiring large restaurants to be built on the escarpment, because we primarily want to keep it as an agricultural area. That's its charm. But there are other benefits from that, and we want to make sure that, besides agriculture, tourism gets its fair share of recognition from the commission.

The Chair: I'd like to recognize Mr. O'Toole.

Mr. O'Toole: Thank you very much, Chair. Just to put a couple of points on the record here, it's good to hear the candidness of the minister, because you don't get asked too many questions in the House, except from Gilles Bisson. That's a shame, because it's important; we are talking about our shared natural resources.

Hon. Mr. Ramsay: I support you in those requests in your meetings—

Mr. O'Toole: Absolutely. Just the tough ones, though. The problem with question period is that we don't get any answers.

Anyway, on a more serious note, I want to mention that I had occasion to meet with Mitch Phinney and other enforcement officers from your ministry. I'm impressed by their ability to deal with the public, because we were there dealing with this 1-800 number for poaching, trying to raise some local visibility on that. There was a person who came up dealing with some of the stuff I mentioned earlier on the Kendal crown lands. I just put that on the record, actually, and also to have a better understanding, perhaps, in your response to the role and relationship with the Ontario Federation of Anglers and Hunters. I say that because I think there were some good stewardship policies with the use of those wetlands. Ducks Unlimited and other partnerships are a really good way to broaden your relationship with stakeholders in the context of an area that often is not understood.

Perhaps it's a communication issue. You mention anyone who's interested in hunting or fishing, and automatically you see some gun-toting—at least, they're characterized as a bit of a wild person or something, just because they like the outdoors. It's an urban kind of sentiment.

It's important. It is a recognized and respectable pastime that some people during the deer season like to go for a walk in the fall leaves. Actually, they're not really interested in Bambi as much as people would like to believe. That relationship and education is something that you might want to comment on.

I was intrigued by your reference to the good work done by the Davis government. I find John Tory very much like Bill Davis, actually. I think he'll make an excellent Premier, just after Dalton's finished his four-year tour of duty.

Hon. Mr. Ramsay: Unless the right wing takes care of that, but we'll see.

Mr. O'Toole: Actually it's quite interesting that you mention it, because the good work done then, I think, is the same thing that started under the Oak Ridges Moraine Protection Act.

It's interesting to know that my riding is basically much like Halton region. The Gananaska forest is in my area. There's a whole stretch of land that's going to be challenged and will need certain amounts of protection in certain areas, but there are a lot of conflicting uses. Under the Oak Ridges Moraine Protection Act, there was a trust set up. That trust was to find mechanisms or tools to build partnerships.

Right now, I'm working with the municipal council as well as Durham region on a couple of opportunities. One

is at Burketon, Ontario; it's called the Test Hill area. I think your ministry people would be aware of it. They've built quite an alliance of stakeholders and volunteers who are just interested in good stewardship policy. This area is located right on the border, actually, of Clarington and Scugog, at the western edge of the Gananaska forest area, which is blow sand and sand dunes. A lot of field parties go there. It's not very productive.

They are in the process now—I'm not sure how, but they will probably be making application, if not through the Trillium Foundation then through your ministry, to acquire and assemble a certain amount of land for public ownership. There's some background to that, in that some of the land ownership was misplaced some years ago by allowing a plan of subdivision to be registered in that area—quite a few years ago, I might say. It's going to be a contest between public right of access as well as public ownership and transferring it to the people of Ontario.

1450

You make reference to the great work on the greenbelt. I think the greenbelt was the next phase of what was the Oak Ridges moraine paper, done under, I believe, the NDP government. There was a whole paper done in two or three phases of that important feature. I would only say that it's all part of the source water protection thing, too, and the whole Oak Ridges serves as the headwaters for most of the urban water systems.

You might want to respond to what money is available in the greenbelt legislation to develop land trusts, tax recognition or other sorts of ways of putting land into public ownership with current owners.

There are areas—that is, the role of the Federation of Anglers and Hunters and the greenbelt—that you may wish to comment on. That's not a real question there. It's just a series of things that I can recall dealing with in my riding of Durham, and trying to build relationships and understanding, for the most part, so I can ask you difficult but necessary questions.

Hon. Mr. Ramsay: I appreciate that, and I'll try to keep on track with the questions you've asked.

Let's deal with the first one. I'm very proud of the relationship that my office and I have been developing with the Ontario Federation of Anglers and Hunters. They're a very important group in the province, and you're right: Angling and hunting is a noble pursuit, a hobby for many and, as we've talked about with the controlling of nuisance animals in some parts of the province, a very necessary hobby. Thank goodness we have hunters going out there harvesting deer, or we'd be having even more public health and safety issues in the province. We have a very good relationship with them and we work in partnership with them on things like hunter safety courses. We want to make sure, while hunting is potentially dangerous because you're using firearms, that it is carried out in the safest possible manner. So we have co-designed a program and they deliver it on our behalf and it works very well.

You mentioned some of the other partnerships. Ducks Unlimited—I don't know if people understand—prob-

ably in North America is the foremost reclainer and developer of wetlands. From their initial interest in increasing the duck population—primarily they were hunters who formed this about 80 years ago—this organization in the United States has now brought millions of dollars into this country, raised here and in the United States, which has started to put wetlands back into our environment that were drained years and years ago. That is making tremendous habitat, and I think we've only begun in the last 10 years to really understand the importance of wetlands.

You talk about the land acquisition programs. There's \$25 million in the greenbelt foundation for the next 10 years, and we have a land acquisition program that's now part of our natural spaces program that has \$4.4 million in it this year. We're always very interested and we work in partnership with the Nature Conservancy of Canada and have contributed money to them to do the same sort of thing with land banking, because one way to preserve habitat is to bank land. From time to time, privately held land comes on to the market and it's very advantageous for us and our partners to look at the desirability of acquiring that.

Mr. O'Toole: One last comment before I give my time to Howard, who wants 20 minutes more. I had an interesting conversation with some innovative people. This was at the Ganaraska Forest Centre. They're in the process of a capital campaign to redevelop the forest centre there as an educational outdoor resource. One of the proponents on their own brought forward an interesting—apparently they've done an analysis of the wind flows in that area—possibility of integrating an off-grid portion of the building to look at integrated uses of solar, wind and low-flow hydroelectric. I was quite impressed with it. It is an educational opportunity and serves a rapidly growing area of Durham region. I'm wondering if I could provide a contact for a person who is an architect or a sculptor—he's an artistic fellow, but he also owns maybe 50 acres or something in the area of this wind farm, solar as well as low-flow hydroelectric.

As part of that whole thing, I can't say that I know a lot about it, but there is a lot of new technology in hydroelectric generation from low-flow hydro projects with low head—I'm not sure of all the technical jargon.

This would be an extremely important opportunity for a well-known, well-respected preserve of land, the Ganaraska forest area. Are you aware of anything going on in a formal or informal sense with their capital campaign and the opportunity to build an off-grid demonstration project using geothermal and a whole lot of other things, in partnership with the Ministry of Energy, to show how sustainable we can actually be if we really try? What better place to do it.

Hon. Mr. Ramsay: When it comes to wind power and water power, we're certainly beyond demonstration projects; we're open for business. We've opened up policy for crown land for proposals to go ahead for these two very important renewable sources of energy. When it comes to demonstration projects on other technologies, I would advise any proponent to contact the Ministry of

Energy. When it comes to wind and water on crown land, that person should go to our nearest district office and make inquiries there.

Many of the wind power companies, of course, have been approaching farmers in southern Ontario, especially those who are close to bodies of water where the wind is the greatest. We have some great potential yet in this province for wind and water power, and we're certainly encouraging those investments. It's very exciting. We really have to examine and thoroughly exploit alternative forms of energy.

Mr. O'Toole: I think your ministry has a really important new and emerging role in this whole sustainability discussion, because it's my view that under the current energy board regulations there is no ability by any cogenerator to benefit from net metering; that is to say, they really can't make meter by selling it to the grid. They can actually reverse the meter when they're using power not from the grid but from their own purposes. But that's the solution: to have a net metering policy that allows dairy farmers and other productive users that use off-peak or shoulder generation to actually net-meter. They're prepared in many cases to make that co-operative investment of about \$1 million a megawatt to install. In the environmental process, you could probably be very innovative yourself to find new ways to shorten the length of up time. The biggest barriers to get this stuff on-line today are the net metering policy as well as the up time to get them to deliver electrons.

Hon. Mr. Ramsay: I agree wholeheartedly with this, John. I think there's a tremendous appetite out there in the general public to contribute to the energy-generating challenge that the province faces. As you know, in the last eight years there wasn't a megawatt of new power produced. We find ourselves in this situation and I think we have to look at every avenue, and looking at the individual in the province who wants to contribute is a great idea. You're right; we have to address these barriers to that, and that is being done as we speak.

Mr. Hampton: I want to ask the minister about a speech that, unfortunately, he couldn't give, but I think the deputy gave for him yesterday, where you indicated that you wanted to work closely with First Nations. I think you'll remember that part of your speech.

I also noticed the part of your speech where you wanted to look at and promote innovative new types of wood manufacturing and wood processing. I believe you went to Scandinavia earlier this year, to Sweden and Finland, and you visited with a number of forest companies there. I believe the Minister of Industry, Trade and Technology has recently made a trip to Scandinavia as well, or is about to make a trip to Scandinavia.

Hon. Mr. Ramsay: I'm not sure.

1500

Mr. Hampton: Actually, I'm quite sure he is. Would the minister be acquainted with the Wabigoon Lake First Nation?

Hon. Mr. Ramsay: Yes.

Mr. Hampton: Wabigoon Lake First Nation has been working with a Finnish company on some manufactured

wood. This is a Finnish company that apparently has done some good work in Finland. The documents I've been shown indicate that they have done some very good work in Finland. Wabigoon Lake First Nation has submitted a proposal to utilize some fibre that was made available by the closure of the Dryden sawmill, but they're becoming very frustrated. While they've put the proposal forward, and while the Finnish company seems to be interested, they don't seem to be able to move this very far with your ministry, and I wonder if you could tell me why.

Hon. Mr. Ramsay: This is a case where we really thought we had a good agreement going, in that when these licences were changed—of course, you're very familiar with this area—from Dryden to Ear Falls, we wanted to make this allocation to the Wabigoon Lake First Nation. At that time, it was understood that what they were looking for was basically traditionally sized dimensional lumber to make the products they wanted to make. Subsequently, they decided to look at this glue-lam process from Sweden and now required, I believe, a one-by-three 16 feet long. They're having trouble finding anybody to produce this. So the trouble is that the companies with the licences that produce the wood don't produce this particular product because it's not a standard product for the market. That's the difficulty we've had.

We continue to work with them, because they've got what looks like a very interesting idea here for economic development. We'd like to see it go ahead; it's just trying to source out the product they need to make the more value-added product they want to produce.

Mr. Hampton: When I spoke with the folks at the First Nation who are doing this—it's a Finnish company, and they specifically asked Minister Cordiano, your colleague, if he would meet with this Finnish company while he's over in Finland. Initially, they were told that he was willing to meet but that the Ministry of Natural Resources officials intervened and indicated that Mr. Cordiano should not meet with this company in Finland. So the First Nation is really getting mixed messages. They were told they had a good proposal, they've worked on the proposal and now suddenly the Ministry of Natural Resources is not only not moving their proposal forward but I am told they're actually asking the Minister of Economic Development and Trade not to meet with representatives of this company in Finland. Why would your officials intervene with the office of the Minister of Industry, Trade and Technology and ask him, or tell him, that he should not meet with representatives of the Finnish company?

Hon. Mr. Ramsay: I'll ask Bill Thornton to address that.

Mr. Thornton: Thank you for the question, Mr. Hampton. There's a rich background to this file with the Wabigoon Lake First Nation and their proposal, as Minister Ramsay has described, to construct a facility to produce these laminated beams.

I've met personally with them on a number of occasions and, most recently, I met with James Kroeker, their economic development officer, at the announcement

in Thunder Bay. We spoke to this very question that you raise, which is their misunderstanding that we had not wanted any dialogue to be taking place between MEDT and their Finnish partner. What I explained to James Kroeker and what I have said previously to the Ministry of Economic Development and Trade was that if there were any intentions of that Finnish company to speak to Minister Cordiano about one of the central issues they have, which is the supply of timber for this proposal, it wouldn't be worthwhile because the commitment of crown timber is a matter that's in the purview of the Minister of Natural Resources. So that's the background to some of the confusion.

Now, I'm pleased to say that following my discussion with James Kroeker, where we cleared the air on this one and where we also spoke to the sources of fibre that they were contemplating for their proposal, it resulted in us agreeing that there would be further talks. In fact, the next day I received an e-mail from James Kroeker saying, "Here's where we're notionally sourcing some of our wood from," in some cases business-to-business agreement between the Wabigoon First Nation and other large companies in the area for their oversized timber. I think you can appreciate that the product they're trying to produce is very unusual: 16-foot saw lengths, where they're basically taking a saw log, ripping it down the middle, gluing back together, using that as a post and beam product. It's very difficult to find wood that large in northwestern Ontario, so oversized material is really what they're focusing their attention on.

It's also very difficult to saw to the metric dimensions that they're speaking to, which is the market that they're trying to fill. Very few mills in Ontario—in fact, we've looked right across to the Prairies as well—saw to that dimension.

Having said that, the good news is they are identifying wood supplies that for the most part don't infringe on previously committed timber. I think that's good news. That's where we've been advising them all along.

They came to us originally saying they wanted to build a greenfield facility. Our advice to them was that they should not do that. Instead, they should look at acquiring some of the mills that, sadly enough, are about to close or are closing and make better use of those, either in a retrofit mode or what have you, just to use the site, and they're taking that advice.

My conclusion, from my discussion with them and further discussions that will take place, is that they understand that point of confusion around what was said to the Ministry of Economic Development and Trade. I think it's water under the bridge and I look forward to a further dialogue with Wabigoon Lake First Nation with respect to their business proposal.

Mr. Hampton: I'm a bit puzzled by that response, because this is a First Nation that has their own logging company. They can actually go out and harvest to whatever length they need. This is not a First Nation that would have to depend upon going to another company or other operators. They have their own logging company.

They have their own harvesting equipment. They have their own trucks.

Mr. Thornton: Yes, they do. The issue, though, is they want volumes beyond what's in their own licences.

Mr. Hampton: I understand that. But they were told, and I think the public in northwestern Ontario were told, that when the Dryden sawmill closed there were now forest resources available, and on that basis they put in a proposal. I would think that when they put in a proposal—and I was told that the proposal was generally well received—they would have stated what they were looking for in terms of forest resource.

Mr. Thornton: Let's speak to that issue. When the Dryden sawmill was closed by Weyerhaeuser, they identified major need for additional fibre to flow to their mill in Ear Falls. It too was suffering. As you know, it's a very modern facility, only a few years old—state-of-the-art processing technology there, compared with the old sawmill that was being closed in Dryden. In discussions that they had with us, they indicated that in order for the Ear Falls mill to survive and prosper, it would benefit from the timber that was also licensed to Weyerhaeuser, and was simply redirected there.

There was never any commitment made to Wabigoon that the timber formerly consumed in the Dryden sawmill would be made available to them. That wood was redirected to other Weyerhaeuser operations in Ear Falls, and I'm pleased to say that that's made a big difference for that sawmill.

Mr. Hampton: Has the Weyerhaeuser operation in Ear Falls added another shift?

Mr. Thornton: I can't say exactly. I think their intentions were certainly to expand. I know they were also looking at, at some point, installing drying kilns there as well. I can't say for certain if all of that has taken place.

1510

Mr. Hampton: I think people would find it surprising. You've got a sawmill shut down in Dryden, and the Ear Falls mill has not added a third shift, or at least as of a couple of weeks ago they hadn't added a third shift. And yet, as I understand the First Nation's proposal, they're not asking for huge volumes. In fact, what they're requesting is rather modest compared to what had formerly been allocated to the Weyerhaeuser sawmill in Dryden.

I want to ask this as well: Unless my eyes are playing tricks on me, as I drive up and down the highways in northwestern Ontario, west of Thunder Bay, I see some 16-foot logs going to sawmills.

Mr. Thornton: Yes, there are 16-foot logs; I'm not debating that point. I'm simply saying that they aren't in the volumes, necessarily, that they want as readily as we can get them. Just for some perspective, the average size of a saw log going through a mill in Ontario is only 7.1 inches on the butt. So to get 16-foot saw logs that are long enough to make the product that's being contemplated here by the Wabigoon Lake First Nation requires a lot of sorting. Most of our mills are designed to saw small saw logs in the size I've described, around 7.1

inches on average, and actually can't take the oversized wood. So the effort here is underway to speak to other sawmilling companies or pulp and paper companies to see if some of their oversized wood can be redirected to the Wabigoon proposal, as well as make use of the licences that Wabigoon themselves have and could bring to their plant proposal.

I should say that in my discussion last week with James Kroeker, there was no discussion of a continuing interest in the wood that's now flowing to Ear Falls. They had previously discussed with me a notion of accessing some timber that would have been made available by the closure of machine number nine in Kenora. I equally cautioned that I didn't think that was wise, because the focus was still on trying to retain machine number 10 in Kenora, and that it would likely use all of that fibre. But what I encouraged them to do and, to their credit, what they're now doing is focusing on other areas where they can get oversize wood, make access of their own licences, do business-to-business deals wherever possible to cobble together the volume of timber that they feel would be available. On that front, the good news that they've passed on to me is they feel that one of their sources of timber in the future could be the from the far north, the Whitefeather Forest, as it has been discussed here today.

Mr. Hampton: It will be a while before any wood moves out of the Whitefeather Forest. It will be quite a while.

This creates a real puzzle. You've shut down a full sawmill in Dryden that I believe was working two shifts a day—actually, I think it was three shifts a day. The Ignace sawmill, as I understand it, is now on layoff. A paper machine has been shut down at Cascades in Thunder Bay, which used wood fibre and not recycled fibre. A paper machine has been shut down in Kenora. A paper machine was shut down a few years ago in Kenora. And you've got a First Nation who are simply saying, "All we want is a little bit of wood fibre." In fact, they're not asking for the big butts, because as they say, their inclination is to saw it down and then laminate it. With all of those closures, you're saying there's no wood?

Mr. Thornton: Usually, what we find in a machine closure is that the older, less efficient machine tends to be closed and then the focus is on speeding up the remaining machine to make it more competitive. Oftentimes, that's what you find happening. Previous machine closures in Bowater, for example, or in the mill in Kenora have tried and will try to compensate by having the remaining machine operate at a faster rate of speed and still continue to consume roughly the same volume of timber.

Mr. Hampton: I'll just add to the list I gave you that Devlin Timber in Kenora has shut down, and Devlin Timber would have been sawing 16-foot logs. So you've got one, two, three paper machines that have closed, each of those using hundreds of thousands of cubic metres of wood. You've got one very large sawmill in Dryden that has shut down and put, I think, over 200 people out of work. You've got the Devlin Timber sawmill in Kenora, which did saw 16-foot logs, because as I drive by their wood yard, I see lots of 16-foot logs.

This First Nation just wants a little bit of wood, and you're basically saying you have none for them.

Mr. Thornton: Actually, with respect to Devlin, we're saying that's an example where we think we can talk, because I'm not aware of that wood being used or committed to any other party. That's an example of where we're going to look to help out the Wabigoon proposal.

Some of the other examples that you've given to me—in the case of Devlin, when it's closed, there is no more consumption. There isn't another Devlin sawmill for that wood to go to, for example. But in the case of where a machine is idled in Kenora by Abitibi or in Thunder Bay by Bowater, they have remaining machines that can use the fibre that was freed up by the closure of that one machine, and likewise with Cascades and others. We're mixing apples and oranges here. In instances where there really is a genuine freeing up of wood as a result of a mill closure, such as Devlin—I think that's a good example. It does have 16-foot logs, and I understand it has some oversized material there as well. I think that's a good example of where we can talk to the Wabigoon Lake First Nation to further their proposal.

Mr. Hampton: It's your position that shutting down a machine at Cascades and shutting down two machines at the Kenora mill has not resulted in any surplus wood fibre?

Mr. Thornton: The final chapter's not written on the Abitibi mill in Kenora, for example. They're still trying to maintain machine number 10, and we're still working with them around how that machine would operate and consume a chip supply as they move to thermo-mechanical pulping. In the other examples that you've referenced, in many cases what we have seen is that those companies have tried to use the wood that's freed up by a machine closure in their remaining machines.

Mr. Hampton: The other part of this puzzle that I find strange is that, for example, Abitibi has placed their private woodlands for sale north and west of Thunder Bay. Someone looking at this would say, "Boy, if you've got Abitibi putting their private woodlands for sale"—and you should have wood available out of the Cascades machine; you should have wood available out of the two Abitibi machines; and you should have some wood available out of the Weyerhaeuser Dryden allocation, because Weyerhaeuser Ear Falls hasn't added a third shift. You have wood available out of the shutdown of Devlin Timber. Yet a First Nation that just wants a little bit of wood, and has been working at this for over two years now, continues to be told, "Sorry, can't help you."

Mr. Thornton: For the record, we've never said, "Sorry, can't help you." What we've said is, "Let's examine the supplies that make sense and don't result in undermining the ability of another mill to survive."

Mr. Hampton: I want to come back to the original question. Here's a Finnish company that's very interested in bringing an innovative product to Ontario. As I understand it, they've got a proven track record. This is not somebody who is coming forward with a wish trick. This is somebody who's manufacturing already, and

they've got a proven track record. What message do you think it sends when somebody from the Ministry of Natural Resources calls up the minister's office in Economic Development and Trade and says, "Don't meet with these folks"?

Mr. Thornton: No one has called them up and said, "Don't meet with these folks." We simply have cautioned them around the fact that supplies of timber to a primary manufacturing facility are the purview of the Minister of Natural Resources, not the Minister of Economic Development and Trade. I think the bigger perspective on this is the notion that we have to always find new sources of employment in the forest industry in the primary manufacturing side of the business. I think that's a mindset we need to break. I think the opportunities are more in secondary manufacturing. Take the product we're speaking of here, a laminated beam that Wabigoon would like to produce. Our immediate advice to them was, "Don't get into the sawing business. Buy that. Buy the product, glue it together, mould it in the fashion you wish to mould it; have a secondary manufacturing operation. Don't get into primary manufacturing. Buy that." The difficulty with that is they've continuously said, "We can't find it because we want to have something sawn to metric dimensions," and that's simply not done in most of Canada. In fact, we went so far as to say to another company, Weyerhaeuser, "Work with these people. Try to source wood from across Canada that meets these metric dimensions, and they did. In fact, they hired a consultant to work with the Wabigoon Lake First Nation for a month, at their expense, to try to source the kind of wood that's required and bring it to a central location where it could be fabricated.

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After all that, it failed, and we're back to the notion of the Wabigoon proposal, trying to find the wood supply to be a primary manufacturer. I don't think that's wise. In the long term, we need to encourage the kinds of proposals that we saw in places like Hearst, where they're already taking the primary forest products that are being produced there. They're manufacturing them into furniture components. That's where we believe there needs to be more incentive to get into secondary and value-added manufacturing.

The other perspective that needs to be provided here is the fact that our wood supply in this province is in a decline, particularly in the spruce, pine and fir species. That's a product of everything from past management practices to the imbalance in the age of our forest. We have a baby boomer forest in Ontario, with a lot of older trees that are now going through their cycle. Behind them, there is not an equal volume of younger trees. As a result, that affects the supply that we have into the future.

Again, we don't see the logic of ramping up primary manufacturing or encouraging greenfield manufacturing in the primary sector when we look at the long-term trend in those supplies. We would rather see more value-added in our forest products, whether it's in moving away from newsprint to ultralightweight coated paper, as is being contemplated by Bowater, whether it's moving away

from standard two-by-fours to engineered floor joists or what have you. I think that's the perspective that needs to be brought here. Despite our encouragement with the Wabigoon proposal in this area, they seem to have fallen back to a proposal that relies on primary manufacturing.

The Chair: Last question, Mr. Hampton.

Mr. Hampton: I'm not sure I understand this puzzle any better now than I did when I started asking the questions, because as I understand it, they're not asking for huge volumes of wood. This would not be a sawing operation that would turn out hundreds of thousands of cubic metres of sawn timber. The greatest emphasis would be on the precision sawing and then the gluing and the value-added. They just want enough wood that they can get this manufacturing underway, and they've had the same frustration: They can't find a company that's prepared to provide them with sawing to metric levels.

You've got private land wood from Abitibi that they want to put up for sale. You've got three paper machines that have been shut down or are shutting down. You've got a large sawmill that's been shut down. You've got a small sawmill that's shut down. This First Nation that just wants a little bit of wood has so far been told by the Ministry of Natural Resources of Ontario, "Can't help you."

Mr. Thornton: Again, we'll do our best to help them. As I say, the volumes of wood that they're considering are not in the millions of cubic metres, but it has ranged from tens of thousands to several hundred thousand cubic metres, so it is substantial.

I should also point out that in that conversation I had with them, they indicated they were encouraged by the minister's announcement with respect to the prosperity fund. My sense is that they'll probably approach us as part of their business proposal there as well.

As I say, we are doing our best to work with them. It's a difficult situation because, once again, it's a primary manufacturing proposal that wants a wood supply that's probably the single tightest wood supply in the province right now: spruce, pine and fir. Having said that, if they can come forward with a business proposal that shows they've made use of business-to-business arrangements with other companies for oversized wood, where we're able to provide them supplies of timber that don't amount to us taking it away from others who are licensed to use it, then I think we're all ears, and we'll work very hard with that community to further their proposal.

The Chair: Thank you very much.

Minister, we've just about completed our time for the estimates. If you wish to make a very brief wrap-up statement, then I'd like to proceed to the votes.

Hon. Mr. Ramsay: Thank you very much, Mr. Chair. First of all, let me compliment you on your job of chairing. It has been a very orderly process and, I think, very instructive for everyone. I appreciate the questions from all members. They've given us a thorough debate of the issues from this ministry, and I think it highlights the scope and complexity of the issues that the Ministry of Natural Resources attempts to take on on a day-to-day basis.

As you can see by these discussions, we have a lot of challenges ahead of us. We are looked upon in northern Ontario as one of the ministries that administers our resources that become a vehicle for economic development. So we're a very important ministry to the economy of all of Ontario, but especially the north. We've seen and heard, as of late, all of the challenges that has brought to us.

This industry is incredibly challenged and, as you've seen from the discussions here, we've recently made announcements to assist the industry in making the transformation that's needed out there. As in all transformations, it's difficult and the challenges are difficult. But I know that the people in this industry are resourceful and have the ingenuity and the innovation to make this happen. I look forward to being a partner with them in that transition.

In the early 1990s, the industry was in a very similar situation. Since then, we've seen some very good times, and I think we'll see the rebirth again. This industry will reinvent itself, and it'll do that with help from our government. We think that's just part of our job, and we look forward to doing that.

I'd like to thank all the members for their co-operation and for the debate that's all part of the democratic process.

The Chair: Thank you very much, Minister, and to all of your staff as well.

Hon. Mr. Ramsay: Mr. Chair, just to note, there were a couple of questions that Mr. Miller had asked, and I'll submit the responses to these to the clerk. He'd asked some questions on Thursday.

The Chair: We will circulate them to all members of the committee.

Hon. Mr. Ramsay: Thank you.

The Chair: The time having reached its conclusion, I will call the votes.

Shall vote 2101 carry? All those in favour? Opposed, if any? That is carried.

Shall vote 2102 carry? All those in favour? Opposed, if any? That is carried.

Shall vote 2103 carry? All those in favour? Those opposed, if any? Then it is carried.

Shall vote 2104 carry? All those in favour? Opposed, if any? That is carried.

Shall vote 2105 carry? All those in favour? Opposed, if any? Then it is carried.

Shall the estimates of the Ministry of Natural Resources carry? Those in favour? Opposed, if any? They're declared carried.

Shall I report the estimates of the Ministry of Natural Resources to the House? Those in favour? Opposed, if any? Then that is carried.

If there are no other housekeeping matters, this committee stands adjourned until 9 o'clock tomorrow morning, at which time we will begin the estimates for the Ministry of Training, Colleges and Universities.

The committee adjourned at 1527.

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Journal des débats (Hansard)

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STANDING COMMITTEE ON
ESTIMATES

Tuesday 4 October 2005

COMITÉ PERMANENT DES
BUDGETS DES DÉPENSES

Mardi 4 octobre 2005

*The committee met at 0900 in room 151.*MINISTRY OF TRAINING,
COLLEGES AND UNIVERSITIES

The Vice-Chair (Mr. John O'Toole): Good morning. I want to call to order the standing committee on estimates, as we begin the review of the Ministry of Training, Colleges and Universities. I'd like to welcome Minister Chris Bentley and be the first to congratulate you on your appointment as minister of this important area. You have half an hour to address the committee with your remarks.

Hon. Christopher Bentley (Minister of Training, Colleges and Universities): I thank the members for your attendance and for the invitation here today, and I look forward to your questions. Permit me to make a few introductory remarks. I'm sure we will get into some further details during the course of the day.

It's interesting; it's an era these days where the workforce must be as well trained as ever in our country's history. We need a post-secondary education and training system that will meet the demands not simply of yesterday, not just of today, but of the future, and the future demands for our society are enormous. I'm pleased to come before the committee and highlight some of the programs that we'll be involved in over the course of the next while, hopefully, with the Ministry of Training, Colleges and Universities.

The Minister of Finance outlined our government's approach and rationale in the recent 2005 budget when he said that education is the "prerequisite for prosperity" and that "an investment in post-secondary education today is an investment in jobs tomorrow." He said these words in announcing Reaching Higher: The McGuinty Government Plan for Post-Secondary Education. That's a plan that provides the most significant investment in post-secondary education and skills training this province has seen in more than 40 years. It is not simply an investment today; it's an investment in the future, it's an investment in the people of Ontario, it's an investment that will create the foundation for prosperity in the future. It is indeed an unprecedented investment in post-secondary education and training.

So why do we need it? I alluded to that briefly in my first few comments. You can always borrow your capital, you can buy your resources, but it's the people of Ontario who are our real strength. We're investing in the people

of Ontario. We're investing to ensure that they are well trained and knowledgeable and that they have the skills to adapt to the future, skills the likes of which they have never before had. That's the point of the investment.

You can reduce the benefits from these investments down to costs. Studies show that, on average, a person who leaves high school without graduating earns \$14,000 a year less than someone who achieves a certificate or diploma in a trade or college program. So to society as a whole there's a benefit and to the individual there's a clear, quantifiable benefit from post-secondary education, whether it's college, university or skills enhancement or trade of some description.

To meet the challenges of the future, we need everybody not simply to achieve what they might have achieved yesterday, but to achieve more. That's why the program is a Reaching Higher plan. It's to provide the ability for Ontarians to achieve levels they might not have aspired to in the past, to achieve training they might not have been able to in the past, to indeed reach higher.

There are three parts to the Reaching Higher plan: access, quality and accountability. When we talk about those three, we're talking about improving the access for Ontarians, improving the quality of the education and establishing and improving the accountability for the funds that the people of Ontario are expending in post-secondary education and training. Let me just touch on a few of the points.

Greater access: What we're determined to do through the Reaching Higher plan is improve access for all Ontarians to post-secondary education and training opportunities, and it comes in many different ways. First of all, to meet the demands of the double cohort, we're going to increase the number of spaces available to the people of Ontario, not simply in undergraduate education but in graduate education.

Let me address the graduate education piece just a little bit. When you compare the rate at which Ontarians decide to enter master's or Ph.D.-level programs, we're considerably less than a number of jurisdictions with which we compete economically. That's not a good foundation for success for the future. What we're determined to do as a province is be able to compete. What we're determined to do is ensure that our people have the skill levels that exceed those of competing jurisdictions.

Our goal, which we will achieve through the Reaching Higher plan, is to ensure that the number of graduate students increases by 12,000 per year by the year

2007-08 and by 14,000 by the year 2009-10. This will require a significant expansion of our capacity, a significant investment both in operating and capital, but it is essential if we're to meet the demands of the future.

But that's not the only level at which we might want to discuss access. Less than half the people of Ontario actually decide to go on to post-secondary education. We need more of them to consider the opportunities, and we're going to be developing plans to encourage people to indeed reach higher and achieve what they might not have thought possible or might have decided wasn't necessary in the past.

In particular, we're going to reach to a number of groups that have tended to be underrepresented in post-secondary education and skills training opportunities. For example, we have established a specific fund to give an extra boost to access opportunities for all Ontarians, but in particular aboriginals, francophones, persons with disabilities and people who happen to be the first generation of their family to consider post-secondary opportunities. Indeed, we have established or are establishing committees in three of these areas, not to expend money but to provide strategic advice on initiatives that we might follow to expand access to the people of Ontario.

Another part of the access agenda is to ensure that people located throughout the province have access to post-secondary education. What you'll find when you take a look at the statistics is that people in remote areas—actually, people outside of very urban areas—tend to be far less likely to access post-secondary opportunities than those in the heavily urbanized parts of the province. That's an issue we need to address and deal with. We need to come up with strategies—and we're determined to do this—to ensure that all Ontarians have access; not necessarily a campus at every doorstep, but the opportunity for Ontarians, wherever located, to have access to post-secondary opportunities.

Access has another aspect to it as well, though, and that's the aspect of being able to afford to go on to post-secondary education opportunities or training. For many years, the student assistance programs in this province were not improved. They did not change with the times and they did not change with the costs. Fully a quarter of the \$6.2 billion we are investing in the Reaching Higher plan is for improved student assistance; that's 1.5 billion extra dollars over five years.

We started the student access assistance initiatives by freezing tuition for two years, and now we're working with students on a framework for a tuition approach that will follow. But before you implement that framework, you have to invest in post-secondary education, which we're doing, and you have to improve student assistance, which is what the \$1.5 billion is designed to do.

In fact, this year we had the opportunity to implement the most extensive changes to the student assistance program since its inception, highlighted by the access grants for low-income students. Some 32,000 students in first and second years will be able to receive a tuition grant—not a loan, but a grant—toward their tuition, up to

the full cost of the tuition in first year, and up to \$3,000 in second year. It's the most significant initiative in terms of access since the grants were eliminated. These access grants were eliminated in the early 1990s. It is indeed a student's ability, not what's in their wallet, which should determine access to post-secondary opportunities.

0910

I'd also like to highlight the improvements in terms of quality. For many years, post-secondary education institutions did not see their funding for operating expenditures from government increase much or at all. In fact, some years were characterized by decreases for some post-secondary education institutions. This had a profound effect. It meant that the institutions were forced to look where they could for money, and that was usually in the pockets of students and their families. It also meant they weren't able to hire the faculty that they would have liked to have hired, to provide the student resources and the library resources that they would have liked to have provided.

So we're making the most significant increase in operating expenditures in the course of this Reaching Higher plan, and that will enable the institutions to hire more faculty, to provide extra faculty-student interaction, to increase student resources, such as library or student support resources—indeed, to improve the quality of the education that students receive at our colleges and universities.

We're going to do this in a number of different ways, but we're going to do it in a way that is accountable. We are absolutely determined that the money we invest—and it is investment by all of the people of this province—will achieve the results that we outline. That is a slightly different approach that has been taken in the past. There will be long-term accountability agreements that will begin next year that will give the institutions time to plan, will give the institutions knowledge of the expectations, and will provide for accountability, so that when the people of Ontario, through the government, provide money to institutions to achieve certain results, we'll be able to ensure that those results are in fact achieved. We're working now on that accountability framework.

I want to say that we are also investing to ensure accountability in a specific area and direction. We are determined to ensure that our northern universities and colleges and our rural colleges and universities are fully and absolutely supported. We will be doing that through the quality fund that we have established and by working very closely with our colleges and universities. We have established a specific fund for northern and rural colleges. That fund will grow to \$20 million by the end of 2007-08, and again, it is designed to ensure high-quality, accessible education at those institutions.

The challenges of northern colleges and rural colleges are significant because sometimes they don't get the economies of scale that a heavily urbanized college can get. We're determined to ensure that students attending those institutions can find a full range of programs, a high-quality education. It's part of an access agenda, yes, but it's also part of the quality agenda.

In terms of health and human resources, we're determined to ensure that the people of Ontario have the professionals they need when they need them. I was pleased to attend the opening of the new Northern Ontario School of Medicine just several weeks ago—a huge investment by the people of Ontario in northern medical education. It will not only ensure that we have extra medical school graduates—it has already begun at two campuses, Lakehead and Laurentian, with 56 students—but it will also ensure that those students have special knowledge of the challenges and the opportunities of practising medicine in the north, in remote regions.

Studies show that when you are trained close to a particular region, you tend to stay in that region once you graduate. That is certainly the expectation of the Northern Ontario School of Medicine graduates. It is a significant investment by the people of Ontario and it's a very important investment by the people of Ontario in the future of the north and the future of the health care of the people of the north.

In addition, we're investing money in nursing initiatives throughout the province to ensure that the health care needs of the people of Ontario are met and, in particular, that we have enough nurses. Decisions made in the past actually reduced the complement of nurses. Our determination is to ensure that we have enough nurses, and our contribution to that is to provide the funding to support the programs. We have a goal of 4,000 new nursing spaces this year.

In summary, the Reaching Higher plan is an investment in the people of Ontario and an investment in the future. It's an investment to ensure that the economy can grow; an investment to ensure that the people of this province have the skills and the knowledge they'll need to compete, not simply within Canada or within North America, but throughout the world.

The Reaching Higher plan of an extra \$6.2 billion over five years is the most significant post-secondary education investment in more than 40 years in quality and accessibility with accountability. It is an investment in the future, and I look forward to your questions.

The Vice-Chair: Thank you very much, Minister. With that, the normal schedule would say that the official opposition now has 15 minutes to respond.

Mr. Cameron Jackson (Burlington): Thank you, Minister. Let me as well congratulate you on your new posting. Having come from labour and with your legal background and now Minister of Training, Colleges and Universities, you're eminently qualified to help advise this government on moving forward on an aggressive agenda. I'm delighted at that, and I look forward to participating with you as your critic.

Having some current and past experience with both the community college system and the university system, I'm very proud of McMaster University—I'm an alumnus—Sheridan College, Niagara and Mohawk, where I attended certification courses for my professional career. My daughter is currently enrolled at Sheridan, so when we talk about tuition and preparing our young

people for the next economy, I share that interest with many members of the House on all sides.

But the challenge of integrating post-secondary education in all of its diverse forms to better serve the needs of students, the labour market and our economic prosperity has never been, in my opinion, greater than it is today. There are a number of significant hurdles that Ontario must get over in order to meet that challenge that demand creative, visionary models of post-secondary education management. We must have sufficient courage and determination to break with past assumptions and former methods of dealing with post-secondary education—and secondary school education, for that matter—and its funding, if we are to ultimately succeed. We must move forward in the knowledge that Ontario's future economic well-being ultimately hangs in the balance.

Before we move forward today, we must build upon the success of the past. It was under the previous government that the challenge of adequate post-secondary education funding received infusions about \$2.6 billion in capital funding between 1995 and 2003 for the expansion of our colleges and universities. Our government committed a minimum increase in operating grants of \$443 million from the year 2000 to 2001. We said that we would fund every double cohort student that colleges and universities accepted.

Under the watch of the Ontario PC government, campuses through Ontario saw their capital funding dollars begin to work for them. By the time of our 2003 budget, the government increased capital funding for colleges and universities over a four-year commitment to \$3.1 billion in 2005-06, or an increase of its previous amount by \$500 million, an increase of over 20%.

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The \$2.6 billion that went to expand colleges and universities resulted in 135,000 new spaces for Ontario students. We also invested \$60 million toward the establishment of the University of Ontario Institute of Technology in Durham, which was Ontario's first new university in 40 years.

In 1999, we also moved to cap tuition increases and income-contingent loan repayment measures, which received tremendous policy focus in Bob Rae's report on post-secondary education—Ontario: A Leader in Learning—and that's found on page 33. We entered an agreement with the federal government to work on loan harmonization, while making loan repayment more sensitive to the actual income of the students; again, actions endorsed by the recommendations of the Rae report earlier this year.

In that same spirit of enhanced student assistance, we increased students' maximum interest relief from 30 months to 54 months for Ontario student loans. Our government required all colleges and universities to set aside 30% of revenue from tuition fee increases to support low-income students; again, a policy initiative noted and endorsed in the Rae recommendations. I'm pleased to say that your government has so far seen fit to continue with

that, as well as the focus on reducing the parental contribution of middle-income families and their students. You have also increased weekly loan amounts from \$110 to \$140 a week for single students and other funding that the Ontario Undergraduate Student Alliance has strongly approved of.

Our government created the Queen Elizabeth II Aiming for the Top Scholarship program and awarded almost 12,000 scholarships to students attending college or university in 2002-03—over \$40 million. Again, we're pleased to say that your government is continuing with this program. We also created the Ontario student opportunity trust fund to provide \$600 million in support for 185,000 students. We increased the value of each Ontario graduate scholarship from \$11,859 for three terms to \$15,000 for three terms.

Our government established annual Ontario student opportunity grants for students to limit the maximum annual debt incurred by students to \$7,000 annually and delivered a tax credit to help graduates pay the interest on their student loans; again, programs that I believe your government intends to continue.

As Scott Courtice, the executive director of the Ontario Undergraduate Student Alliance, recently said, "High student debt often impacts the very career choices students make in order to pay that debt off in a shorter span of time. Accessing post-graduate degrees is also more difficult as a result of student debt."

We likewise provided students with a simpler loan system and improved loan repayment measures for students, including 54 months of interest relief. All of these measures, designed to give strong financial support to post-secondary students and to help ease the burden of student debt repayment, have also been accepted by and are directly reflected in the Rae post-secondary education report recommendations, and this is also why I say we must move forward by building on the successes of the past as well as the current government's.

Our 2002 budget committed to increase our support for enrolment at colleges and universities by an additional \$75 million more than the multi-year commitment of \$293 million announced in the 2001 budget.

With respect to additional capital investments, our government demonstrated its commitment by investing \$40 million more, which brought its total capital investment to \$337.5 million since 1999, for the renovation and renewal of existing post-secondary facilities through the ministry's facilities renewal program.

Operating funding levels for Ontario universities increased by \$134 million between 2001-02 and 2002-03, for a total of \$1.87 billion.

We announced \$16 million in additional funding to colleges and universities operating in northern and rural communities, with an increase to the northern grant by 50%, to \$6.6 million. In October 2001, we announced our commitment to the development of a northern medical school, with sites at Laurentian University in Sudbury and Lakehead University in Thunder Bay. As you have noted, Minister, they opened on September 13 of this year.

The northern and rural college grant received \$7.8 million for those colleges that receive geographic and economy-of-scale adjustments through the college operating grant funding mechanism, and \$17.9 million for enrolment growth was applied to the general purpose operating grant to ensure that colleges are able to accommodate all willing and qualified students.

The college equipment and renewal fund provided colleges \$10 million per year for five years, beginning in 2002, to equip their classrooms and other teaching facilities with new technologies.

As we know, post-secondary education is comprised of three components, all equally important to our economy: universities, colleges, and apprenticeship. A skilled workforce is essential to Ontario's competitiveness and economic prosperity. As 70% of jobs now require some post-secondary education, it is imperative that a better integration of all necessary components involved with apprenticeship training and skills be achieved.

In my government's 2003 budget, we announced several initiatives to support innovative approaches to training and increased investment in it. Our budget proposed an apprenticeship tax credit to encourage Ontario businesses to hire apprentices and help increase the availability of skilled workers across key sectors of the economy, such as manufacturing and construction. We are pleased that your government is taking these tax credits and promoting them, but we must confess that much of the work that was developed by the previous government was developed by the assembled group of bureaucrats who are around you today. We commend all of them for their hard work in this area but this is a program we can all be proud of and we can all take credit for.

We introduced a new diploma apprenticeship model that will add flexibility to the apprenticeship system and respond to employer needs, better attract young people to apprenticeship and enhance the profile of apprenticeship training, also a key component of Bob Rae's recommendations on enhanced apprenticeship training. That was found on page 47.

We also provided \$5 million to launch a second round of TVO's lifelong learning challenge fund, which focuses on apprenticeship trades. We note, however, that the new government has transferred TVO's role from training, colleges and universities over to education, at a time when TVO has had its budget cut by \$3 million by the current government. I would be anxious to engage the minister in a discussion if he is satisfied that TVO will continue its prior mandate with a focus on apprenticeship training, after now being captured by the special interests that seem to influence the Ministry of Education.

We announced a further \$90-million investment in high schools for four years to renew technological equipment, train teachers and develop partnerships with employers and colleges. It was our government, in its second-year commitment, that increased funding by \$33 million, to double the number of new entrants into

apprenticeship programs. We also introduced the apprenticeship enhancement fund, which will provide \$50 million over five years for updating college facilities for apprenticeship programs. We committed \$10 million a year for five years, but I note in these estimates that this year the government has committed only \$9 million for this fiscal year.

We enhanced the Ontario youth apprenticeship program and increased promotion of apprenticeship to make apprenticeship training more attractive to young people so that more would enter the skilled trades, something the Rae report has also borrowed and similarly underlined by way of policy recommendation.

In the 1998 Ontario budget, we addressed the serious shortage of computer science and high-demand engineering program graduates by investing \$150 million over three years in the access to opportunities program, or ATOP. In our 1999 budget, we committed an additional \$78 million in start-up funding to increase the number of ATOP spaces by almost 40%, from 17,000 each year to 23,000.

Our government invested \$130 million in the strategic skills investment, SSI, program over seven years to leverage a total of \$500 million for strategic skills training.

All these initiatives on behalf of apprenticeship training that the Bob Rae report agrees with and recommends that Ontario build upon were undertaken by that government as a serious way to respond to the shortage of skilled trades in our province. In an alarming report published in September 2005 by the Ontario Chamber of Commerce, it is noted that Ontario will face a shortage of about 100,000 skilled trades workers in the manufacturing sector over the next 15 years, largely due to retirement.

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I quote from the report:

"There are currently over one million people employed in Ontario's manufacturing sector who produced over \$99 billion in manufacturing GDP in 2004. As noted, some 8.5% to 9% of that workforce, or ... 100,000 people, are expected to retire over the next 15 years.... If that sector's employment is reduced by 8.5% to 9%, then Ontario's manufacturing output will consequently drop" by that amount "over the next 15 years.... Such a loss translates into a drop in GDP by 2020 of \$8.4 billion to \$9 billion.... Manufacturing output will gradually decline from \$99 billion in 2005 ... to about \$90 billion by 2020. Should Ontario lose the full 100,000 workers, the net present value of the total manufacturing production lost due to these retired workers" could be as high as "\$43 billion."

Ninety per cent of the in-class training of apprentices goes on within Ontario colleges. Toward this end, the Ontario chamber proposes that colleges be funded with this core business in mind. Ontario colleges represent a unique role in being able to offer a clear, primary pathway to becoming an apprentice and are key partners in apprenticeship training in Ontario. Currently, only 53%

of the 25- to 34-year-olds in Ontario have attained a post-secondary education. To meet the demands of employers today, post-secondary institutions must attract and graduate more students. As Ontario colleges especially have long been telling us, an important issue that we need to constantly address is the general way that post-secondary education tends to be immediately associated with a university degree alone, while ignoring the often greater viability and the attractiveness of a college applied degree or diploma, combined with apprenticeship training.

A skilled Ontario workforce is also a more easily adaptable one in the changing conditions of our labour market. Recently, 1,100 layoffs in Windsor were reported as part of the Canadian Auto Workers' negotiations with Ford. Another report announced 2,500 potential layoffs at DaimlerChrysler. These are all significant layoffs that will bear economic ripples throughout our province. As the former Minister of Labour, you appreciate better than most that these are not just cold figures; these are persons who are highly skilled at what they do and who suddenly find themselves unemployed, with families to raise and bills to pay. What kind of strategies does this ministry have in place to retrain them and hone their skills to increase their marketability in other areas of our economy? What will the ministry's approach to assisting colleges and their apprenticeship training components be to better enable them to do the job that they were originally created to do and assist these people and others like them?

In addition, Ontario's increasing immigrant population, from which most of our future population growth will derive, are coming here already armed with many skills that should be put to best use on their behalf and on behalf of our economy. What are the ministry's plans for credential recognition for new Canadians, who often experience great frustration in their struggle to gain that recognition, so they can become an integral part of our workforce? What are the ministry's plans to support our colleges to be better prepared to deal with these challenges, also very well set out in the Bob Rae report?

The Association of Colleges of Applied Arts and Technology of Ontario and the College Students Alliance, especially Tyler Charlebois, the CSA director of advocacy, have commented extensively on the important use of credit transferability. As the Rae report recognized as well, Ontario needs reforms that make it easier for college and university students to transfer from one post-secondary institution to another, in order to help students further their knowledge and skills. Currently, when a student wants or needs to transfer to a different college, there are no clear standards for recognizing the credits already completed, wasting the student's time and creating unnecessary expense for not only the student and their family, but the province. As the Rae report said, "It is simply wasteful of public resources to require students to repeat courses covering the same material because of an exaggerated sense of self-reference by any college or university." That's on page 73.

By way of an example, Seneca College has an agreement in place with York University that allows for credit

articulation and transferability, yet a student from another college, such as Humber, would not be able to have his or her credits transferred since it is not party to that agreement, which only exists between Seneca and York. This is simply unacceptable, and it requires an overhaul in our thinking of the relationship between colleges and universities.

With respect to college funding, Ontario's colleges need enhanced support to better meet the challenges outlined by the Ontario Chamber of Commerce, as just one example. We need to reinvest in college education and re-examine traditional, outdated funding models involving both college and university funding. Funding to colleges in particular does not compare with other levels of education. In 2003-04, Ontario colleges operated with less per-student revenue than either secondary schools or universities.

For one year in university, government will pay \$6,600 per student, with that same student paying about \$4,184 in tuition. For one year in high school, the provincial government will pay \$7,900 per student, but for one year in a college, our government will pay only \$4,800 per student, who will also be required as a student to pay a further \$1,820 in tuition.

That government today will pay \$8,000 per student per year—projected to go as high as \$9,000 in two short years—in high school but only \$4,800 for the same year for a college student is simply an unsustainable situation, or, as Bob Rae has said, "We have a system that is in some jeopardy."

The fallout from inadequate funding of Ontario colleges has included reduced instructional time for students, increased class sizes, fewer full-time faculty and staff, reduced academic support services, and constrained investment in learning resources and information technology. In 2005-06, every Ontario college will face a dramatic revenue shortfall, ranging from \$2 million to \$8 million, based on the January 2005 ACAATO survey.

There is a backlog of overdue repairs to college buildings and facilities, and the colleges face the prospect of further faculty, administrative and staff reductions. One Ontario college, according to ACAATO, may have to eliminate about 80 full-time positions in the 2005-06 budget, while 50 full-time positions are threatened at another college.

These staff reductions are occurring at a time when colleges should be hiring more faculty and staff to meet the tremendous needs and challenges Ontario faces with the lack of skilled trades. Ontario simply cannot afford to erode academic and support services for students, investments in information technology and instructional equipment at our colleges.

The Ontario government's increase in transfer payments to colleges in 2004-05 was \$39.8 million. That included \$6.4 million to compensate colleges for lost revenues due to the government's freeze on tuition rates. It also included \$25 million in one-time stabilization funding for college sustainability, which was appreciated. While the one-time \$25-million stabilization funding

enabled some colleges to avoid fully implementing the anticipated reductions in programs, curriculum and student services, the Ontario college system had to implement a range of serious expenditure reductions in the 2004-05 fiscal year because of the system's revenue shortfall.

In addition to the various funding and student assistance overhauls needed to assist colleges to meet their basic mandates, the Rae report also proposed that colleges be mandated to reach out to the 50% of high school students not going on to further studies and to lead the formation of K-16 councils, comprised of educators at all levels as well as industry and local leaders, to promote learning and facilitate the transition to higher education.

Furthermore, it is recommended that apprenticeship be formally recognized as a post-secondary destination. Toward this end, it is recommended that colleges take over the government's role in administration and outreach to employers where colleges deliver the in-school portion of apprenticeship training.

The ministry must also clearly take steps to achieve greater transparency and fairness regarding post-secondary credit recognition and transfer between institutions. This last recommendation is critical in ensuring that duplication of course work that is paid for by taxpayers is stopped and a more streamlined model of seamless post-secondary education is adopted.

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In 2003-04, Ontario colleges served 53% more students than 15 years earlier, with 22% fewer full-time faculty and decreases in all other staff areas. Smart investments in our college system will pay attention to ensuring that the quality of college education is strengthened and enhanced to include consistent curriculum delivery, greater interaction between faculty and students, and greater responsiveness to student and employer needs.

As the Ontario Chamber of Commerce report highlighted so conclusively, the ministry must assist Ontario colleges with the responsibility to work closely with employers and industry associations as they are ideally positioned to design and deliver applied education and training for value-added market sector specializations such as manufacturing, networking and information technologies.

As part of the overall paradigm of producing greater numbers of highly-trained graduates, Ontario colleges must reach greater numbers of people and provide the most updated training and education possible. College programs need to further integrate elements of e-learning into their curricula, since Internet-based education offers more flexibility to students and overcomes geographical and other barriers. Industry partners expect Ontario colleges to adapt to the knowledge economy, and this means that Internet resources in the colleges must be updated and enhanced, especially by ensuring that government investments in colleges support current industry-standard instructional equipment. The post-secondary review comes at a time that could allow Ontario to emerge as a

leader in higher education in Canada, if not globally. The elements of successfully meeting that challenge involve accessibility, affordability and quality within post-secondary education in consultation with educators, students and the workplace.

Another critical factor is the redefinition of post-secondary education to include a stronger emphasis on the place of Ontario colleges in providing the necessary training and professional development for many future opportunities in trades, and their integral partnership with industry and business in a renewed focus on apprenticeship, as underlined so strongly in both the Ontario chamber report and the Rae report.

On behalf of our leader, John Tory, and the PC caucus, I wish to affirm our commitment to work with you on a vision of post-secondary education that reflects the strong historical ability of our universities generally, and our colleges more particularly, to adapt to the current challenges and the future economic needs of our province.

The post-secondary system needs to undergo ongoing changes that will make it both vital and sustainable for future Ontarians. The process of change in this environment is one that offers us a unique opportunity to examine the historical silos of our education system while meeting the crucial challenges we face, especially the significant dropout rate of Ontario high school students.

It should be clear to us that if post-secondary education is to remain viable in our society and economically relevant, it must be redefined within a context of the three post-secondary streams: universities, colleges and apprenticeship training.

The time has come, as the Rae report on post-secondary education and the chamber report agree, for the government and the private sector to develop a strong and focused plan of development of the role of colleges and apprenticeship training in developing the kind of skilled workforce Ontario needs, now and in the near future. Now is truly the time for us to take action.

The Vice-Chair: Thank you. That pretty much wraps up your time. With that, the third party. The Chair recognizes Mr. Marchese.

Mr. Rosario Marchese (Trinity-Spadina): Welcome, Minister and ministry staff.

It's interesting that every time we do this and we look in the audience, we see all of the staff of the deputy minister, and it's hard to know how many the minister has here. But if we were in a boxing ring, it would seem like you had a fight between 10 people and one. It's like 20 hands to two. It seems like an unfair kind of brawl to me. It seems that way. If the minister needs some help, there's someone right there saying, "Here you are, Minister." And here we are. I know I've got the opposition on my side, and that helps. The government Liberals are on the other side, yes. Doesn't it seem like an unfair fight to you? Yes or no? I just wanted to put that on the record.

I also wanted to say that I like Cam Jackson. I didn't like his party, but I like Cam. Just to hear him say—the

initial words were, "We invested \$2.6 billion in our post-secondary education system." It's unbelievable, Cam. And then he had a whole list, half an hour of things, including some questions I agree with. There was a half-hour list of all the great things that they did. Hearing Cam, you would say, "Man, the Tories were really, really good, and they probably solved all the problems we had in the post-secondary education system with the injection of all that money." We could have done so much more.

It reminds me a little bit of what the Liberals are doing, to be frank with you. I know you don't like that, but because I've got a couple of minutes to chat with you and whoever is watching, it does remind me a little bit of what the Liberals are doing. We hear announcements from both this minister, with all due respect, of course, and from the Minister of Education, Mr. Kennedy, about "all the billions of dollars we're spending on education." You say that proudly, of course, and you'll defend it, naturally, as Cam did just a few seconds ago. I'm reminded of Minister Kennedy and all the billions of dollars he's spending. The system should be fixed with all that injection of money into the system.

As I look at all the issues that are of importance to me, I say, "What's happening in the field of special ed?", just to start there and come to you. In the field of special ed, we haven't received a cent. Our boards have not received a cent in two years, in spite of the claims the Liberals are making. Kennedy, last year or a year and a half ago, whenever it was that he made that announcement—last July—said that he was injecting \$100 million into special ed. In July he announced this, when the school year was over. In August, he announced that he was clawing back from the boards, from their unspent reserves for special ed, \$100 million.

You follow the logic, right? You announce \$100 million, you claw back \$100 million, and we're at a zero-sum game in terms of expenditures here, and no money spent.

Then he announces that there will be a new application process. Remember, the Tories had a system in place where you fill out the application, and presumably the money should flow based on the application process, which has a psychologist signing off. So you'd presume that the money is going to flow. The Liberal government says, "We're going to demand that a new application be done." That that new application after the August clawing-back of the money, would be available some time in November. So we wait for November, thinking, "OK, we lost \$100 million but maybe there's some new money coming," some new money of the \$100 million he stole.

Come December, there is no new application process; come January, there is no new application; come February, no new application; come March, no new application. We don't hear a beep from the minister. Sometime at the end of March, by doing a little digging—remember, we don't get any information from the ministers or their staff, because they're not allowed to or because we just don't get it—we find out that the

deputy minister is urging people to apply for some of this money. Understand that there is no application process that I'm aware of, but they can apply for this money at the end of March. We're close to the end of the year—last year—and we don't know how much money has been doled out on the basis of that supposed new application that was never done. So for two years, no new money.

On the transportation front, we expected the ministers to say, "A new funding formula, and new monies coming." Kennedy simply takes from 30 boards and gives it to the other boards. The minister denies this, of course, as Cam was doing just a few seconds ago. Minister Kennedy denies all of that, but he's just taking money from 40 boards and giving it to 30, or the other way around. It doesn't really matter; the effect is the same.

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On the capital front, we had Minister Kennedy announce, a year and a half ago, \$200 million for capital projects, and then, six or seven months ago, he had another press conference, saying that \$250 million will now be put for capital expenditures. When asked by the media what had happened to the \$200 million he had announced, he said, "That was not intended to be spent. That was simply a warning for principals that the money was coming." I thought he was amazing. He got away with it, it seems. He actually said that in the press conference. He was just announcing it so that people would know about it and so that they could get ready for the next, bigger announcement of \$250 million for capital expenditures.

Remember, the \$200 million he had announced the previous year was going to raise about a couple of billion dollars of capital expenditures because the money the government gives is to leverage more money. You advance an amount of money and you are able to borrow more to be able to construct.

I predict that pretty soon this year Minister Kennedy is going to announce \$300 million, as opposed to \$250 million, as opposed to the \$200 million, and that will raise \$6 billion of capital expenditures. Do you see how that number grows? We just invent numbers. We just announce money. And then, as this Liberal government is fond to do, they pre-announce, they announce and they reannounce, and it's all the same stuff, recycled. It's great for recycling. The ability that the government has to do this shamelessly is amazing.

On the test front, by the way, the government says that 75% of our student body will now be able to read at the standard, which is an incredible increase. I thought, "How is this government going to do that?" We discovered a little while ago, and soon the test results will be made available to the public, and they will show, lo and behold, that the results will be higher. Students are achieving a greater rate of success in that standard. How do they do that? We simply manipulate the test. Students are now able to bring their calculators into the classroom. They'll be able to have the whole day, if they want, to finish the test, not within a prescribed time. More time is

allotted. We've simplified the test. Lo and behold, we achieve a better rate. You see how easy it is to do that? It's just like magic.

There's so much more, but why talk about elementary and secondary when we're here to talk about post-secondary? At the post-secondary level, the minister says that we've got six billion bucks coming. Is it \$6.2 billion, Mr. Bentley? Give or take. It will be doled out, as the federal Liberals love to do now, because nothing is given in the year or two that you're in power; we're going to give it out into the future—into 2009, give or take? It's not 2007, which is your term, which is however much you're going to give. You're now going to extend this six billion bucks into the future, beyond your mandate, because you've got to get another mandate in 2007. So we'll see whether or not you'll be re-elected to spend the money you claim you're going to spend. It's all money that's announced now, and it gives the effect to the public that it will be \$6 billion worth of expenditures, and it's all at some time in the future, doled out slowly as we go, maybe.

Part of what I'm discovering at the elementary and secondary level is that we announce money but we have no clue about whether it's being spent. I'm waiting for the Minister of Education at the elementary and secondary level to give me the expenditures that have gone on in capital projects because I have no way of knowing. Some other Liberal MPP said on a television program, "Just go around to the schools. You'll see the signs that say how much capital building is going on." I said to her, "I don't want to go around Ontario; it's a big province. It takes a lot of money to get around. Can't you just show me the numbers?" It would be so much easier to see it instead of having Marchese travel around the province to see the signs that we're building.

Interjection: You're going to have to drive.

Mr. Cameron Jackson: Not at 30 cents a kilometre.

Mr. Marchese: If I did that, yes, I suppose I could get mileage out of that; you're right. John, I'd love to come into your riding and just check it out, but I just don't have the time. Wouldn't it be easier just to send me a little form saying, "Marchese, here are the numbers; here's what we spent. Liberals said that we spent \$75 million over the summer, and this is how much money has actually been doled out"? Then I'd be able to look at the list and say, "Ah."

Interjections.

The Vice-Chair: Through the Chair, please. One speaker.

Mr. Marchese: I don't want pictures; I just want the numbers, if you could help me with that, because you're close to the minister.

We're going to get from this minister another \$6 billion worth of money to help the post-secondary system. We'll just wait and see how it doles out. Maybe one day we'll be able to get the numbers, and that would be really great, because it's so hard. We have such limited research power, versus all this man- and womanpower that I see behind this room, to be able to help the minister out.

Minister, I have a particular interest in tuition and tuition fees. I think it's something you should worry about that I'm worried about, and I worry about the level of tuition fees a great deal. I just want to see, based on the questions I'm going to ask you, how much you feel or how close you are to this topic.

The 2005 budget reserved the question of tuition policy for some future date, following your government's review of current tuition policy, and your government is in its second year of a two-year tuition freeze, which you made abundantly clear with all the press conferences you and the previous minister, Chambers, had. In this release of May 13, the Premier's office stated that the government would "work immediately with students, colleges and universities on a new tuition framework to be in place by September 2006." Is that work complete?

Hon. Mr. Bentley: Thank you very much for the question about tuition—a very important topic, a very significant cost to students. What we recognize is that over the previous 12 to 14 years, tuition had gone up enormously. During the years in which the NDP were in power, it went up 50%. Subsequently, it went up significantly as well.

What we decided to do was to freeze tuition for a period of two years to accomplish several things: first of all, to enable everybody to stand back and take a look at the system and figure out how to properly fund it and improve it. The Premier appointed Mr. Rae to conduct his report and listen very closely, and as a result of that report several things happened.

First of all, we announced the Reaching Higher plan in the May budget: \$6.2 billion extra for post-secondary education, a significant amount of money over any number of years. Of that \$6.2 billion, fully \$1.5 billion is destined for increased student financial assistance—the most significant improvements in financial assistance since the program, as I understand, was launched 25 years ago.

We also said that we would work with students, the institutions and all other interested parties to develop a proper tuition framework to follow the freeze. The freeze ends at the end of this academic year. So we're engaged in the discussions at the moment with students, with the institutions, with all other interested persons and institutions, to develop that tuition framework. We're in the middle of those discussions, and they're going to continue until we are able to come up with the appropriate framework.

Mr. Marchese: Thank you. Just to remind you, Minister, that the NDP did raise tuition fees; you're quite right. We don't hide from that. But even in the midst of a recession, we managed to keep the per-student funding above the national average and tuition rates below the national average. Now it's the opposite. We're below the national average on per-student funding and above the national average on tuition, for your information, assuming you're interested in that.

Hon. Mr. Bentley: Actually, I'm enormously interested.

Mr. Marchese: Of course you are.

Let me ask you a question based on the previous question that I had asked. So you are working on a framework with students, colleges and universities. Are you directly involved in that?

Hon. Mr. Bentley: I actually am directly involved. I think it's significant to note, yes, that you did raise tuition by 50%. I don't remember what you campaigned on in 1990, but I suspect it wasn't a 50% tuition fee increase. At the same time that you raised tuition by 50%, you eliminated the upfront tuition grants to the neediest students in the province of Ontario. I don't think it's much comfort, frankly—it wasn't much comfort—to those neediest students and their families that they were above or below some notional national average. The issue for the students is what they can afford. Can they have access to post-secondary education? That's why our approach is so fundamentally different than the one you actually practised when your party was in power.

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Mr. Marchese: Thank you, Minister.

Hon. Mr. Bentley: I know you want the answer, because you're interested in tuition. Our approach is to invest in post-secondary education, invest in financial support, freeze tuition for two years and sit down and work on the framework to ensure improved access, improved quality of education. We're in the middle of those discussions, and we will be continuing with those.

Mr. Marchese: You're talking about notional averages, as if somehow "notional" means nothing. When we say we're below the national average on per-student funding and above the national average on tuition, it means we're in trouble, Minister. It means that the funding, even under your government, isn't there to get us to the national average. It means that we're not investing very well in our post-secondary education system. That's what that means. It's hardly notional; it actually means something.

Hon. Mr. Bentley: It is notional to the individual who had the opportunity to have an upfront tuition grant before you eliminated it; notional to the individual whose family doesn't have enough money to assist him or her to get a post-secondary education. If you allow tuition to increase and then you take away the grants and say, "Go get a loan," it is cold comfort to that person, to that individual—young man, young woman, old man, old woman, whoever they happen to be—that you say, "Oh well, we're OK with the national average." The question is access to the individual. National averages are important as benchmarks; they're important to give us an idea of how we're doing compared to the rest of Canada—provinces and territories; but for the individual to whom access matters, we've got to worry about them, and that's what our access plan does.

Mr. Marchese: Let me ask you a question, Minister.

Hon. Mr. Bentley: It improves financial assistance to those individuals.

Mr. Marchese: Minister, remember, this is questions and answers. It's an opportunity to ask you questions, if you don't mind.

Hon. Mr. Bentley: I want to make sure that you have the full answer—

Mr. Marchese: No, no, you're doing enough. You're doing a great job.

Just let me ask you, on the issue of deficits: You didn't like the fact that the NDP had a huge deficit, is that correct?

Hon. Mr. Bentley: I don't know that I publicly expressed an opinion at the time.

Mr. Marchese: But your party did. If you were there, would you have said, "Oh, what a terrible deficit we have"?

Hon. Mr. Bentley: I wish Ontario could have had those five years to do over again because I think the economic management of the province could be rather significantly improved, but we didn't.

Mr. Marchese: Minister, help me out.

Hon. Mr. Bentley: I suspect there are many out there who, if given the opportunity, would have addressed issues significantly differently than you did.

Mr. Marchese: Minister—

The Vice-Chair: One at a time, please. Let's have a dialogue here.

Mr. Marchese: You've got to try to help me out, because we're asking questions. If you don't do that, if you get into long answers that don't relate specifically to that question, then it drags it out unnecessarily.

It's a simple question. Liberals didn't like the fact that we have a huge deficit. I get the sense that you would agree that it was a huge deficit, right?

Hon. Mr. Bentley: If you're asking me whether I would do things differently than the NDP did between 1990 and 1995, absolutely.

Mr. Marchese: We're not getting anywhere. Here's the beauty about Liberals: Liberals love to attack two things simultaneously, as only you people can do so very well. So Liberals say, "We wouldn't have racked up such a huge deficit; we just wouldn't do that." Then, simultaneously, they say, "You didn't spend enough; you eliminated grants." You see how beautiful you guys are? You would have presumably kept the deficit down by spending more, which is similar to the claim you made in your election promise that you would not increase taxes and increase services. Do you follow what I'm saying?

Hon. Mr. Bentley: If that was a question—

Mr. Marchese: That wasn't a question, because I realize we're not getting anywhere with questions. Let me get to the specific question—

Hon. Mr. Bentley: But I think it's an important point—

Mr. Marchese: Minister, I didn't ask you a question.

The Vice-Chair: One at a time, please.

Hon. Mr. Bentley: I think if you're going to make a statement—

Mr. Marchese: But Minister, I didn't ask you a question.

Hon. Mr. Bentley: But I should have the opportunity to respond.

Mr. Marchese: No, you don't, if I don't ask you a question, if you don't mind.

Hon. Mr. Bentley: Well, why don't I respond when you ask me the question.

Mr. Marchese: That's good, Minister. That's exactly what I was wanting to get at.

Do you have any expectations about that tuition framework that you're developing? What are your expectations, if any?

Hon. Mr. Bentley: Our expectation, first of all, is that when difficult financial circumstances accrue to parties, such as yours during the mid-1990s, you wouldn't look first to the poorest Ontarians to find money to reduce the deficit.

With respect to the tuition framework, my expectation is that we'll be receiving a lot of good advice on what should happen at the end of the freeze. We don't have a position at the moment and we don't have a framework designed at the moment. We're looking forward to the advice that we're receiving from all parties.

Mr. Marchese: I've got it. On Friday, the Premier said that tuition would be rising, which seems to indicate he's made up his mind. Have you made up your mind?

Hon. Mr. Bentley: No, not at all. In fact, the Premier said on Friday virtually the same thing he said last February for all to hear, and that is, the freeze is a two-year freeze. It ends at the end of this coming academic year. It's the first time I could find in history—in Ontario history anyway—that tuition had been frozen for two years. It didn't happen under your watch. It's ending at the end of two, and at the end of the freeze, tuition is going to go up. The question is, what is the framework? What are the conditions? What are the necessary preconditions? What are the investments that have to be made before that happens? We've outlined—

Mr. Marchese: OK. Thank you.

Hon. Mr. Bentley: I'll just finish the answer, though, because I know you're interested.

Mr. Marchese: No, but you did a good job already. You already answered.

Hon. Mr. Bentley: Investments need to be made in both the operating, the capital and, frankly, the student assistance side of the post-secondary education budget. We've outlined those in broad terms. Now we're speaking with the parties about how the framework will look.

Mr. Marchese: How you are going to do that. Right. I got it. Thank you.

When I said that on Friday the Premier said that tuition will be rising, you said no and then you said yes. What is clear is that you—

Hon. Mr. Bentley: Excuse me? No, I did not. You asked me about the framework. We haven't got the framework yet.

Mr. Marchese: No, Minister, that was in the second question. I said that on Friday the Premier said tuition would be rising, which seems to indicate he's made up his mind on the fact that it would be rising. I know the freeze is on for this year, we know that, but he said the

tuition freeze will rise after this year. The question is, how much. Is that not the case?

Hon. Mr. Bentley: The framework has not been designed. The Premier clearly outlined on Friday, as he did last February, that tuition would be going up. You asked me whether I'd made up my mind about the framework; I have not. The government has not got the framework.

Mr. Marchese: Right. So tuition fees will rise. He did say that.

Hon. Mr. Bentley: Absolutely.

Mr. Marchese: He said that last year, and Chambers said as much as well in one of the meetings I attended, even though—well, let me give you a quote from her in terms of what she said at the time. Last December, I asked your predecessor, Minister Chambers, whether your government planned to increase tuition after the two-year freeze, and she said: "I'm really surprised that the member from Trinity-Spadina is playing this little game. I have no idea where he's coming from, because the Rae report is not available until January and his recommendations have not yet been tabled."

In hindsight, was I wrong to assume tuition fees would be rising or was the previous minister wrong?

Hon. Mr. Bentley: What I can tell you is that the Premier, in February, indicated that the tuition freeze was a two-year freeze, that tuition would be going up at the end of the freeze. It's not mandated, but at the end of a freeze, if institutions have the ability to increase, I think it's natural to assume that it will be going up. He repeated that on Friday. We've got a framework process in place. We're going to design the framework. The questions is, is it going to be going up like the NDP allowed it to go up: 50% over the course of your term? Is it going to be going up like the previous government allowed it to go up? Is there some other framework?

The approach we've taken is fundamentally different than that followed in the past. First of all, we're investing in colleges and universities. Your government, toward the end of its mandate, was decreasing its investment on a per-student basis. We're investing in increased student financial assistance. Your government decreased student financial assistance at the same time as the cost of the tuition was going up. We've taken a different approach.

Mr. Marchese: OK, I got the documents. You answered my question.

Hon. Mr. Bentley: We have the two-year—

The Vice-Chair: Minister, you will have 30 minutes at the end of Mr. Marchese's period to wrap up.

Hon. Mr. Bentley: Just let me finish the sentence. We've got the—

Mr. Marchese: Minister, I have other questions for you.

The Vice-Chair: Are you satisfied with that answer?

Mr. Marchese: You'll have plenty of time of your own to make your statements about what we did or didn't do.

Students at the moment are paying 44% of tuition fees toward their own education. That translates, in a regular

program, to about 5,000 bucks, excluding the fact that some of them have to live in another city, that they have to buy their own books. In my view, it's a lot. What do you think about students paying 44% and the fact that tuition fees will go up? Do you have any points about where you think you should go, what you think is reasonable, what isn't reasonable? Think of the future and let me know what you're thinking about, what a reasonable norm for students is.

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Hon. Mr. Bentley: What we need is a tuition framework that's going to improve access for all Ontarians and is going to allow the quality of the education that they get to improve as well. The tuition freeze, as a two-year freeze, has given us all the opportunity to stand back and make certain fundamental changes and corrections to the system.

As far as what an appropriate level is, I won't speculate on that. I don't know that your numbers, in terms of percentages, are quite correct, but in terms of the cost of education, the figures are out there. For colleges, the cost of tuition is around \$1,820. The average cost of a university-level program is a little under \$5,000. It is a significant amount of money by any standard. The question is, what are you getting access for? Students want access to the highest-quality education possible—education of improving quality. Are there going to be enough spaces in the programs that you're interested in, and are students in need, in particular, going to have the appropriate level of financial assistance so that they are able to access—

Mr. Marchese: OK.

Hon. Mr. Bentley: —I'll just finish the sentence—the education they need and not be prevented from doing so by reason of financial barriers?

Mr. Marchese: OK. I understand your points about quality and will there be enough spaces; I understand all of that. I suggest to you that the \$5,000 tuition in a regulated program is quite a lot for students and families. It's an incredible burden.

By the way, I'm a parent of three young people, one of whom has become a teacher. The other two are still in university. Minister, it's a heavy load. I don't know what your experience is, but I'm just sharing mine with you and I'm telling you that quality matters, and tuition fees matter to me a lot. That represents 44% of the cost of their own education, and that's an incredible burden. Do you think it's a burden, or are you going to stick to the same answer of "quality matters" and whether we have enough spots? I'd like you to respond to the question of whether you think the debt is a big one.

Hon. Mr. Bentley: As somebody who pays tuition now for two students in post-secondary institutions, I am quite aware of the costs. One is in residence and one is not in residence. But it is an investment in one's future. What we have to do is get the framework right so that we have enough spots created in the province of Ontario in the various programs so students can get the education they want, so that the institutions have the money—

Mr. Marchese: I got it, I got it.

Hon. Mr. Bentley: —to improve the education—

Mr. Marchese: No, I got the answer.

Hon. Mr. Bentley: —and that those in need have the assistance they need.

Mr. Marchese: Minister, you already answered. Thank you.

The Vice-Chair: You have one minute left, Mr. Marchese.

Mr. Marchese: If a family earns \$32,000 or less, they have access to grants. That means that if two people work for minimum wage at Wal-Mart and they earn \$33,000 or \$34,000, they won't be eligible for this grant. That means that these poor working people won't have any grant support whatsoever. What do you think of their struggle?

Hon. Mr. Bentley: What I think is that with our announcement this year, 32,000 Ontario students are going to have access to the grants that your government cut. What I think is that the \$190 million extra that we're investing in student support has supported not only the grants but increased interest-reduction assistance, a reduction in the amount families are expected to contribute to the education of their—

Mr. Marchese: But specifically to my question, Minister.

Hon. Mr. Bentley: That's exactly what I'm addressing. I'm addressing the position—

Mr. Marchese: If someone is earning \$34,000, they have no access to a grant.

The Vice-Chair: Mr. Marchese, your time has expired.

Minister, you now have 30 minutes to respond to both the opposition parties.

Hon. Mr. Bentley: Thank you very much. I'm going to make my response maybe a little shorter than 30 minutes. Let me start with the critic for the Progressive Conservative Party. I thank you very much for the remarks. Yes indeed, I look forward to working with you. I would just like to make a couple of observations, maybe a little by way of a reminder.

There was a long list of initiatives that you outlined, some of which were contained in a budget that was never passed, and some of the funding commitments were outlined in budgets but not actually implemented. As a background to those, it must be remembered that when we arrived, we inherited a deficit that was likewise not outlined in those budget documents, and we've been dealing with that deficit ever since. That meant that the pool of money available for investment in areas like post-secondary education was significantly less than what the people of Ontario had been led to believe before October 2, 2003.

Notwithstanding that, we have found a significant amount of money to invest in post-secondary education. Although you outlined a long series of initiatives, you were the government for almost nine years, and it was after that nine years that former Premier Rae was able to look back at the system and figure out where it had ended up.

The very essence of the Rae report is not to be found in the acknowledgement of its author that there were some programs that had been done during the previous years that were actually beneficial for the people of Ontario; one would have been surprised if there hadn't been any. The very essence of the report is the fact that the post-secondary education system had been substantially underfunded by governments past, and that that underfunding was undermining the ability of the system to meet demands, not just of today but of the future. That's the essence of the report. That's why it calls for increased and improved funding.

The essence of the Rae report was also that students, so often talked about by so many, had not seen financial assistance—had not seen their access opportunities— increase over time. In fact, although the number of spaces had gone up, financial assistance for many of the neediest, including those of working families, had not risen, and in some cases decreased over time. So the Rae report essentially recommended a significant infusion of money for the operating and for financial assistance. That's the message that we picked up, and that is the essence of the Reaching Higher plan: improved access, improved quality, but also with accountability.

I note with interest your allegiances, your affinities and ties, to McMaster, Mohawk and Sheridan. I've spoken with the presidents of all three.

Mr. Cameron Jackson: And Niagara.

Hon. Mr. Bentley: And Niagara. I'm making a longer list. I have been to McMaster not only to meet with students but to make an announcement about student assistance. I visited Sheridan for an opening-day rally that they were having in the cafeteria, and I have spoken with the president of Mohawk on a number of occasions, actually, and hope to get there quite soon.

I make this observation about the college system: You're absolutely right that the college system is uniquely positioned to not only provide improved and increased access to the people of Ontario to post-secondary opportunities, but also to help deliver on the skills agenda that our government has clearly outlined. I do make the gentle observation that that knowledge about access and that knowledge about the skills agenda has been around for some period of time, and there was an opportunity for previous governments to seize those opportunities and to make sure that our post-secondary education and skills system developed in a way to meet the challenges that we foresaw in the future.

I note in particular your comments with respect to the college system, about the needs of the college system, and I was particularly struck by your outline of the per-student funding analysis, comparing universities and secondary school education and college education. In fact, I heard that comparison in a number of different ways, a number of different times. I actually heard it before the election of October 2, 2003. Of course, it was the government of which you were a part in the mid-1990s that substantially cut the operating funding to colleges; in fact, cut it by a huge amount—it was

between 10% and 20%—a cut which was never restored. Indeed, the per-student funding never got back to its original level in the college system during the course of the Progressive Conservative mandate.

I simply make that observation, because now we are faced with the challenge and the opportunity of making sure that colleges indeed can achieve the potential that you quite eloquently outlined for them and that it's a natural potential. We are determined to do that, and this substantial infusion of operating funds in the Reaching Higher plan will enable us to do that in the months and years to come.

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But I do look forward to working with you. I absolutely look forward to building on the initiatives that have been taken by previous governments, including the one of which you were a part, that have been beneficial to the people of Ontario. That's the essence of good progress: You build on what's worked in the past, you fix what's broken, and you make improvements to the system. We'll absolutely be working with you to do that to ensure that the post-secondary education and skills training system that the people of Ontario rely on meets the demands that we're all aware of, but haven't yet been funded until this budget of May 11 outlined the Reaching Higher plan, and now they're going to be funded.

I say to the NDP critic: Likewise, I look forward to working with you and listening to your questions and providing answers during the course of today and in the weeks and months to come.

I am enormously interested in post-secondary education and the cost of post-secondary education, not simply from the perspective of the future of the province, because ultimately we need to improve access for the people of Ontario to post-secondary education opportunities, but also I have, as I outlined, a personal perspective because I happen to pay for two students exercising those post-secondary opportunities.

What we will not do is take the approach that previous governments, including yours, took to the question of access. We will not allow tuition to rise without properly investing in the quality of education. You have to invest in quality; otherwise tuition will just rise wherever it can and you never get the quality improvements. You can't talk about changes in price, changes in tuition, without improvements to student financial aid. To allow the price to increase, as it did between 1990 and 1995 by 50%, without improving student financial assistance essentially says to those students who would be affected, "You might be denied access." You eliminate grants and you might well deny access to the students who need them. That's something we're not going to do. That's why fully a quarter of the Reaching Higher plan is improvements to student financial assistance and that's why, frankly, we froze tuition for two years so we could step back, improve the quality and improve the access to opportunities.

We are implementing the approach that we outlined in the election and will continue to do so. At the end of the approach, we're going to have a system that is more

accessible to the people of Ontario and financial assistance that is both more complete and more readily available to the people of Ontario than when we inherited office, so that we improve access for all Ontarians.

I look forward to discussing these issues and others with you. We are getting some excellent advice from those who are participating in the tuition framework discussions: the institutions, colleges and universities, and the student groups. They may not all approach it from exactly the same perspective initially, but at the end of the day there is a common denominator for all: These discussions are all about access to high-quality education, how we achieve that and get that approach right.

I might say that many who are involved in these discussions might not—might not—be used to them, because I don't recall this process being undertaken before the tuition rises over the past 12 or 14 years, including the tuition increase of 50% between 1990 and 1995. I don't recall that process. I don't recall that type of input. If it was given, I gather it wasn't followed. In fact, my understanding is that the NDP actually had some discussions with interested parties on what to do with respect to student financial assistance in the early 1990s, around 1991, and then decided later on not to improve student financial assistance but to eliminate the grants and make some other changes.

At the end of the day, affordability is absolutely part of access—that's what increased student financial assistance is all about—but let's not forget the question: access to what? You cannot forget that question. What our students are asking for is access to high-quality education; otherwise there is no point in paying any price for it. It has to be high-quality education. You can always get your Internet degree for a few hundred bucks. The question in Ontario is how to ensure that our publicly funded institutions, our colleges and universities, provide the highest-quality education to the students who attend them, and how to ensure that that education is accessible for all students and that individuals aren't prevented from accessing educational institutions in the province of Ontario because of financial issues.

We have started this year; we have started the improvements to student financial assistance in the ways that I've outlined. There is more work to be done and, with the \$1.5 billion, we'll be able to do some more.

With those comments, thank you very much. I look forward to the questions.

The Vice-Chair: Thank you very much, Minister. We'll start the next round. It will consist of 20 minutes of questions and responses from each of the parties. With that, the Chair recognizes Mr. Jackson.

Mr. Cameron Jackson: Minister, it's generally helpful, if we have technical questions, to do those up front, so that your staff who are here can assemble information that we require to complete the estimates and get them into the clerk's hands, who can then distribute them to all members of the committee so that we can have responses to our questions.

Let me make a general observation first. I think it would be extremely helpful in future estimates if you

were to talk to Management Board and encourage them to allow you to break out, in these rather small estimates—because they are—the numbers that are dedicated to colleges and those that are for universities. The fact that they're lumped together makes it very difficult, and we will be trying to navigate through that over the course of the morning. I would appreciate very much having those breakdowns in more detail.

When I was doing some of my reading, I noted that everybody gets to play with statistics, but one of the statistics is that when we combine a number for the per capita expenditure, when we blend colleges and universities together, we drop like a stone. But when we take colleges out, our median position moves rather dramatically. Without getting political, it's unfair to any given government of the day that we allow those stats to happen. Maybe that's partially because we are preconditioned to just lump colleges and universities together.

I very much am going to want to receive those breakouts in just about every category, and as we proceed with a series of questions, you will get a sense as to why I'm interested in pursuing that.

If I might go to page 9 of the estimates, I notice that the 2005 budget book says that MTCU would be receiving \$4.916 billion in total with the combination of operating and capital, but the printed estimates only reflect \$4.824 billion. So I guess my first question is, what happened to the \$100 million? I'm sure there's just a really simple, short answer that I'm missing here.

Hon. Mr. Bentley: We're finding the answer for you. Why don't we get your next question?

The Vice-Chair: I would ask the persons making responses to identify themselves for the purpose of Hansard.

Mr. French: Kevin French, assistant deputy minister, corporate management and services, Training, Colleges and Universities. We'd be happy to provide you with that answer shortly.

1030

Mr. Cameron Jackson: Shortly? OK, thank you.

On page 15 of the estimates, I note that the 2004-05 actuals in capital were \$417,261,000. In 2004-05, the estimates were \$167 million. This year, we're estimating \$130 million. Therefore, capital spending year over year is down by \$277 million. Could there be someone come forward to give us some details of the capital and what—

Hon. Mr. Bentley: Why don't I take a stab at that, if you don't mind?

Mr. Cameron Jackson: I'm actually looking for hard stats in terms of where the money has gone. The capital was multi-year commitments. It was a public policy decision on the double cohort. It required massive investments, which I referred to in my opening statement. We are interested in tracking capital and student tuition support and operating commitments from previous governments to see if those levels are greater than or less than the previous multi-year commitments. I think Mr. Marchese made a very cogent argument that commitments made in the fifth and sixth years when the govern-

ment only has two years remaining in its mandate are worthy of close scrutiny.

Here we have a situation where those multi-year construction contracts were committed, the funding guarantees approved, and the auditor recognized those as solid commitments. But it is a rather dramatic drop and, although I appreciate the narrative, I'm really looking for the hard numbers of where this money went and what projects remain. Ultimately, I'm asking where the \$130 million that you have estimated will be spent—in which institutions.

Hon. Mr. Bentley: The difference between the sets of figures comes in a couple of different ways. First of all, there was an additional \$250 million that became available at the end of the last budget year for expenditure by this ministry, not from within. That was expended. It was noted in the budget document and was expended: \$200 million to all colleges and universities through the facilities renewal program to assist in addressing issues such as deferred maintenance. That money is being expended now by colleges and universities. I visited a number of the campuses. Some of these expenditure projects are completed; some are taking place; some are about to start: to address, substantially, issues like deferred maintenance but also some new approaches to learning in different campuses, some new approaches to energy efficiency and the like. I can go into some detail with some of the projects, if you like.

An additional \$240 million was provided to the colleges to assist with their equipment renewal needs. That was money given directly to the colleges. As you know, there are some equipment and renewal funds that the colleges can access directly. That is the biggest series of expenditures.

The difference between the year-over-year estimates from last year to this year is that a number of the projects which you have talked about—the ones that were started three years ago through a multi-year funding process; the smallest amount of money in the first year, the larger amount of money in the second year, and then again a reduced amount of money from the second year and the third year—are proceeding, but because the third year is smaller than the second year, the overall amount is being reduced. That's why you see that \$36-million decrease, that significant percentage change. The training and equipment of the estimate is the same as the estimate last year. Again, there was an extra \$10 million that became available at the end of the last budget year from outside. That was put into that particular fund for the colleges.

Over the past couple of weeks, the announcements about the specific colleges and universities that benefited from specific amounts have been made just about everywhere in the province.

Mr. Cameron Jackson: Not to sound like Mr. Marchese, but I really don't want to look at a series of 25 press releases. I would suspect that you've got a spreadsheet and you've done this in an orderly, accountable fashion, and that's the manner in which I'd like to receive it.

Minister, one of my concerns was that you've alluded to the issues about managing a budget at a half-way point. We are today in these estimates where you were as government two years ago, where the budget wasn't approved. Of course the budget wasn't approved; neither has the budget in front of us been approved, and won't be approved for some months, probably. However, as I recall from that period of time, some of the monies which were budgeted, which you indicated helped form part of this deficit, were earmarked for colleges and universities at levels greater than that which you ultimately ended up spending in the first year of your mandate.

If I wanted to offer up a commentary, I guess my concern was that personally, I didn't feel that paying off part of the stranded debt of Hydro or paying off a futures contract in Hydro in the hundreds of millions of dollars was a priority over, say, honouring the multi-year commitment for colleges and universities. That was not a decision that you would have participated in directly because at the time you were the Minister of Labour, but your predecessor did accept those recommendations from the Treasurer in terms of where the money should be spent. We are looking for continuity with the budgeted commitments, year over year, not only from ours, but from yours. That's why my interest in these numbers, to see if we are going to stay on track with the levels of commitment that were promised by the previous government and that they mirror and reflect or, to be very fair to you, where you actually enhance and build upon, in most cases. There are some shortages in the first year and in the first two years, in one instance at least, of your mandate. In fairness, your 2005 budget made the commitment, and here we are well into the 2005-06 budget.

My next area—I've only got a few moments left here, so I just want to get some of these questions on so that staff can pull out their briefing binders and provide us with a copy that the clerk—and that will assist us in completing our work today.

Hon. Mr. Bentley: I just make the general observation that I appreciate the reference to the previous Tory budget that—you're right—was never approved. It was a budget premised on a balance in the system. When we inherited a deficit that wasn't outlined for the people of Ontario, that means that the funding base from which you made your commitments was not as complete as outlined in the budget.

There will not always be a linear progression from your promises to what's able to be delivered, given that your promises weren't backed up, unfortunately, with some money.

Mr. Cameron Jackson: With all due respect, that's your subjective view. The former retired auditor, as a private consultant, gave you an opinion, in a dipstick measurement, of what the exposure for the government was on a given day. He measured on a specific day. Had he measured that four days later, when federal transfers had come in, the amount of monies that he proclaimed we were short would have been reduced by over \$1 billion. It's well documented, the sleight of hand that

occurred with respect to the management of those numbers.

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Had you had the privilege of sitting in estimates yesterday, that was enunciated from the last Liberal budget prior to this government, which engaged in conduct unbecoming a Minister of Finance, who delayed the transfer to the teachers' pension fund of half a billion dollars by three seconds and spilled it over into a new fiscal year, with a \$75-million penalty. It was a brilliant move, but the auditor caught it after the Liberals were defeated.

In the last 75 years, the Liberals have never balanced a budget in this province. So I just want to reassure you that you come from a political heritage that is well known for the way in which it adjusts and presents numbers to the people of Ontario.

Hon. Mr. Bentley: I reject the characterization. I absolutely reject that.

Mr. Cameron Jackson: That's fair enough. I was characterizing Bob Nixon and what we inherited after his government was thrown out.

Hon. Mr. Bentley: I'm quite pleased with my heritage, coming from a family where my mother balanced the family books on the backs of used envelopes. That's my heritage and that's the one I'm proud of.

Mr. Cameron Jackson: Listen, we can compare stories. I was one of 11 children born and raised in the north end of Hamilton. If you want to have your stories and throw them on the table, fine, but the truth of the matter is that Bob Nixon certainly knew how to play games with the optics of how to balance books.

Hon. Mr. Bentley: I'm sure Mr. Nixon would be more than happy to debate with you were he here.

Mr. Cameron Jackson: I am now led to believe that I have more time.

The Vice-Chair: You have four minutes.

Mr. Cameron Jackson: We should have gotten into some serious questions here.

On page 33, Minister, salaries and wages for your staff are going up by 17%, or \$1.4 million. Could we get a bit of an explanation as to why that's occurring and what are the deliverables for that? Is it just new hirings?

Hon. Mr. Bentley: No. Remember, they come from a very small base. Those increases in personnel are to support a couple of specific areas, one of which is the bookkeeping with respect to the consolidation approach, the accounting issues. As you know, in particular the college books are being consolidated on to the books of the government. This requires additional personnel to assist with the various and other accounting issues. And there were some additional hirings that were necessary in order to implement the agenda of the government, the Reaching Higher agenda.

Mr. Cameron Jackson: On that same page, grants for university operating costs are \$157.3 million and grants for college operating costs are \$3.5 million. Is there a reason why the amounts are so markedly different?

Hon. Mr. Bentley: There are two substantial baskets of money that will assist university and college institutions in Ontario. The operating cost increase is one, but also the post-secondary transformation at the bottom is another.

With respect to the college operating costs basket, that includes a number of different baskets. Increase for undergraduate enrolment growth is one of the things that provides. Funding for the tuition freeze is something that provides. But there was a reduction from that basket because last year it was outlined that there was a \$25-million college sustainability one-time payment, so that comes out of there.

Also, some expenditures for health human resources are actually found in the grants for health human resources; for example, increases for the funding of the new nursing spots. That's where that's found, whereas previously it was found under the college operating costs basket, but it's not.

Mr. Cameron Jackson: The \$243,700—

Hon. Mr. Bentley: It's \$243 million.

Mr. Cameron Jackson: The \$243 million, rather, is the total cost of—I'm on page 33—all of those initiatives?

Hon. Mr. Bentley: No, no. That's in addition.

Mr. Cameron Jackson: That's what I thought. So what I'm asking for is a detailed breakdown of each of those expenditure items.

Hon. Mr. Bentley: There isn't a detailed breakdown—

The Vice-Chair: Your time has expired, Mr. Jackson.

Mr. Cameron Jackson: That's a request for information, Mr. Chairman. I want to make it clear: I don't want a narrative; I want a detailed breakdown of what those expenditures are. There's half a million dollars.

Hon. Mr. Bentley: And I'm happy to answer. That's not available at the moment because many of the issues, such as the exact cost of tuition freeze compensation, enrolment growth funding—those figures won't be made known until the actual figures are provided by colleges and universities. In some months, when they become known—I think that's at the end of November, beginning of December—we'll be able to work out those figures, but they're not available at the moment.

Mr. Cameron Jackson: I'd ask for the 2003-04 figures in these categories so we'll have a template on which to analyze the figures that will be forthcoming in November. Thank you.

The Vice-Chair: With that, the Chair recognizes the NDP.

Mr. Marchese: Minister, I just want to get back to some of the questions I was asking earlier. We understand the grant you've introduced to those children whose families' income is less than \$33,000. That's a positive step, by the way, in case I didn't say it or you think I'm not in agreement, so you don't have to repeat it. What I was asking is, if someone is earning a family income of \$34,000, or two people are working at Wal-Mart, let's just say, or some other place like that, and

they earn \$34,000, their children don't get a grant. Do you have any comment about how those students would be helped, or those families, for that matter?

Hon. Mr. Bentley: Three different areas. First of all, thank you for the comment with respect to the restoration of the grants. That is a positive sign, and I thank you for recognizing that.

Secondly, in the course of the OSAP improvements that we announced this year, there were a number that directly assist all families, particularly the middle-income families you outlined. For example, there has been a reduction in the expectation of need on the part of the families of students, by 50% in many cases. For example, whereby a family might have been expected to contribute to their child's education to a certain amount, whether or not they had the money, there's a reduction of half in a number of cases, depending on the income level or the need.

There is, at the same time, an increase in the amount of assistance students can get. Yes, that's a loan, but it ties into the last thing that I'll say, the third part of this. There is an increase in the weekly loan amount. Both Ontario and Canada have increased the weekly loan, so you get up to \$75 more in the amount you're eligible for. There's a recognition of costs that were never recognized before: computers—I'll just wrap up. But there is no increase in the limit for OSOG, the Ontario student opportunity grant. That remains at \$7,000, so even though the amount you're borrowing increases, there's a max of \$7,000. So what will happen for many students is that the amount that's forgiven actually increases. But I would say, remember that this is the first year of a five-year plan, and we look forward to making further enhancements in the future.

Mr. Marchese: At the moment, I know that the limit is \$65,000. So if a family earns \$65,000, those students are not eligible to get a government loan. What that means is that those students have to go to a bank immediately and they start paying interest right away. So if you're making 65,000 bucks and over, you're not eligible. What do those families do?

Hon. Mr. Bentley: We'll actually get the specific figure for you.

Mr. Marchese: As I understand it—

Hon. Mr. Bentley: The maximum is much more than \$65,000. In fact, in many cases you can still be eligible with a family income of up to about \$90,000 under the current approach. In fact, the expected contribution for a family earning about \$70,000, I think it was, has been decreased from about \$4,200 to \$2,100. That's the more than 50% decrease in expected contribution that I outlined. So it is much more than \$65,000; it's \$90,000.

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You have to remember something else that is very significant—Mr. Jackson, the critic for the Progressive Conservatives, outlined it earlier—and that's the tuition set-aside, which is a substantial amount of money that's taken out of the tuition revenue that the institutions get. That is used on top of the assistance that the students

otherwise receive through the OSAP program for unmet needs. Some is in grant form, some is in work-study form; there are a number of different forms. So that is in addition for those students.

Mr. Marchese: The basic argument is that many of them will have access to greater student loans. I understand.

You talked about the framework that you're working on. When I think about the framework, I think that it probably has some parameters. We're looking at a freeze or a reduction or an increase. Does your framework have any parameters beyond the three that I'm mentioning, or is this a fluid process in terms of what you're looking at?

Hon. Mr. Bentley: Clearly, we have implemented the freeze and we're in the second year of the freeze, and that's going to end. So it's not a freeze.

Mr. Marchese: We know that. Yes.

Hon. Mr. Bentley: We never campaigned on or committed to a reduction. That is simply not an approach that is sustainable for the people of Ontario in the future, as previous parties that became governments that campaigned on reductions have found from time to time.

With respect to the framework, though, if it's not going to be a reduction or a freeze, the question is, for what programs, under what conditions? What are the expectations of government; what are the expectations of institutions? There are those parameters and many more. What type of approach are you going to take to a tuition framework?

We've been getting all sorts of advice from the participants and from others about what it should look like. In designing the framework, you have to have regard, as I indicated before, to the overarching questions: improving access, both specifically and generally, and improving the quality of the education. At the end of the day, it's access to something; it's access to excellent post-secondary education opportunities that we're trying to achieve.

Mr. Marchese: I want to get back to access in a moment.

Most students we're talking to didn't have a sense—or at least they believed that tuition fee increases are something that would be debated or possibly discussed, and they didn't necessarily think or believe that tuition fees were automatic after the two-year freeze. As far as you know, did students know that increases were coming after the two-year freeze?

Hon. Mr. Bentley: I don't want to speak to what students knew or didn't know. I will speak from our perspective. We outlined that the freeze would be for two years.

Mr. Marchese: We know that. They know that too.

Hon. Mr. Bentley: And the Premier made clear on a number of occasions, including a speech in February, that not only was the freeze ending at the end of the second year, but made it quite clear in the course of those remarks in February that tuition was going up. We've just signalled a number of times, and you've outlined some of the—

Mr. Marchese: Quite right, in spite of the fact that Ms. Chambers denied the fact that this was going on. So we know they said it, but they were denying that it was going to happen.

Hon. Mr. Bentley: No, no, and I'm not going to get into a back-and-forth about who said what and in what context, because we don't have the parties here to provide their version of events.

Mr. Marchese: I'll give you a quote.

Hon. Mr. Bentley: What I do know is that we outlined a two-year freeze, we're in the second year of the two-year freeze, and the Premier outlined that the cost of tuition would go up as early as February of this year, and repeated those comments—

Mr. Marchese: OK; that we know.

Hon. Mr. Bentley: Now what we're looking at, if I might, is—

Mr. Marchese: But the question is, did students know? As far as the two-year knowledge, were students aware that this was happening, or did they believe, in your discussions with them, that somehow tuition fee increases would be debated, discussed or possibly avoided?

Hon. Mr. Bentley: I'll let individuals speak to their particular knowledge. It won't be for me to—

Mr. Marchese: By "individuals," do you mean students, others in your ministry, or what?

Hon. Mr. Bentley: The students and every other person who has participated in the discussions.

You ask, "Will fees be debated and discussed?" Of course they will. When you design a tuition framework, obviously quantum and conditions of quantum are essential issues. Applicability of quantum to program—essential issues. Preconditions before any increase, if there is to be one—

Mr. Marchese: I understand that. My point of the question wasn't that. My point of the question is that some students probably believed, as I did, that you could be contemplating a further freeze. I certainly thought that that was in the cards, and I think students thought that was in the cards. In your mind, were students wrong in believing that, or was it always clear that tuition fees were going to go up? Was it always clear to them, based on your discussions with them or someone in your ministry?

Hon. Mr. Bentley: Again, I'll let the students speak for what was in their mind, but the Premier made it quite clear last February that the fees were going up, that the tuition freeze was a two-year freeze. Parties at the table have been very, very ardent in advocating what government should do. Some institutions have an approach which they have pushed; some student groups have an approach which they have pushed; and nobody is limited. I made it quite clear that when you come to the table, you're not limited in what you say. Some students have argued that a reduction is appropriate, which is something that we have never outlined was a possibility.

Mr. Marchese: I understand. So when students, colleges and universities are working on this new frame-

work—did this discussion start already, by the way, and when did it start?

Hon. Mr. Bentley: Yes. It started in July, when we had the first meeting.

Mr. Marchese: In July. OK. So when students came in July, in their first meeting—how many meetings have happened?

Hon. Mr. Bentley: There have been three.

Mr. Marchese: Three meetings. Was there any discussion in those three meetings that tuition fees were going up, and it was just a matter of discussing how?

Hon. Mr. Bentley: What we've been discussing is the framework in all of its aspects. So what does a tuition framework look like? At various times, individuals have argued for all sorts of approaches. I think we just about covered the waterfront in approaches. The discussion has been encouraged not simply to go to the endpoint of what people would like to see but to begin to address the various aspects of what the framework will look like. So, for example, should we have a simpler approach to financial assistance, whatever the tuition system looks like, in order to assist students and their families to determine the cost of education and what financial aid might otherwise be available to them?

Mr. Marchese: So in relation to this—because you've talked about access three or four times now in relation to some things that I've talked about—when you're talking about improving access, what do you actually mean? What does that look like in terms of support for students? Is it more grants to the same students who are now eligible, or is it to more students who are not eligible at the moment, or is it more loans? Higher loans? What are you thinking of? What is your view of this?

Hon. Mr. Bentley: I think that's an excellent question. We now have more grants than when we started. We now have more financial assistance than when we started. We now have more students eligible than when we started. In fact, I think the improvements to the financial assistance that we made this year have assisted an additional 135,000 students, depending on how you measure, in the province of Ontario—very significant improvements.

Now, what will the future look like? I would like to see an improvement in financial assistance. What it looks like, I'd be happy to take great advice on. Some have argued for an extension of grants. Some have argued for further debt relief. Some have argued for improvement in loan limits. Some take one to the exclusion of others. There is a range of initiatives, and I think what we'll want to do is take the advice from all to come up with a stronger system, because at the end of the day what we want to ensure is that a student who has the ability and the determination to go to post-secondary won't be prevented for financial reasons. So it's a question of what combination of improvements will help that student get to post-secondary, where they might not otherwise—

Mr. Marchese: Sure. By the way, would you put any limits in terms of how much students can borrow? Is there an acceptable limit to you or an unacceptable limit, or is that just fluid at the moment?

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Hon. Mr. Bentley: We haven't actually addressed limits on the borrowing. But what I would say, and you'll be aware of this, is that the Ontario student opportunity grant says that no matter how much you borrow through the OSAP program, you're indebted to the total of \$7,000. We also have, as you would know, opportunities, once you complete your post-secondary education—in fact, three different occasions—where you can get the debt that has accumulated over time reduced—in three separate stages. So you have the \$7,000 limit, no matter how much you borrow—

Mr. Marchese: I was just wondering if you thought there was a limit in terms of how much students should be able to borrow and whether, in your mind, there should be any limits or not.

Hon. Mr. Bentley: If you're asking me if I've come up with the magic number, no. I suspect it will depend on the student and the student's circumstances, to some degree. For some students, a large loan might be manageable; for some students, any loan might be a significant problem, and that is what we have to measure as we develop the student assistance part. Now, remember, student assistance—

Mr. Marchese: Let me ask you some other questions related to all this.

Hon. Mr. Bentley: Sure.

Mr. Marchese: Families in the middle- or lower-income range are already struggling with a decade's worth of rising tuition fees—I'm just going to make a statement and then ask some questions. From 1990 to 2002, tuition as a share of university operating revenue more than doubled, climbing from 21% to 43%—I must have said "44%" before; it's 43%. The share of college operating revenue accounted for by tuition jumped from 17% to 31%.

While tuition has been increasing in every province in Canada, its shift in Ontario puts the province substantially out of step with the rest of Canada. A recent Statistics Canada study shows that enrolment dropped for students from middle socio-economic backgrounds after Ontario allowed deregulation and a tripling or quadrupling of professional program tuition fees. That didn't happen in provinces that froze tuition during that time period. I suspect you all know that; at least, many of us in the field know this.

My question is related to the social, cultural and economic implications of allowing tuition fees to continue to rise. I know you don't have them put a limit in terms of what that framework might look like; it could be 2%, it could be 3%, it could be 4%. We don't have a clue. You're not commenting, and we won't know until it's released, or until next September. But I have some serious concerns, and I'm wondering whether you want to tackle them. Has your government researched the impact that your announced tuition fee increase will have? We don't know what the tuition fee increase is going to be, but the Premier said it's going to go up. Have you researched the impact that that will have on

enrolment of students from middle and lower socio-economic backgrounds? If so, if you have any documentation, would you share that with us?

Hon. Mr. Bentley: No, we haven't researched something that has not been decided. But what we do have access to is the materials that were provided to the Rae commission, the distilled research of the Rae commission, the many studies—one of which you speak about today—which have spoken to this issue in various forms, and there are many out there. Some material has been brought to the table, the tuition framework table, discussing the issue. What we're determined to do is to improve access for Ontarians. But we have some specific initiatives and some general initiatives to do that.

Mr. Marchese: All right. So, other than the study that I'm referring to, your ministry hasn't done any of its own research to understand the implications that—

Hon. Mr. Bentley: No, I wouldn't say that. I would say that the ministry has probably been looking at access issues in various forms over the years. I wouldn't want to preclude the fact that they have done that. I haven't seen any material—

Mr. Marchese: But they're right beside you. Do they have any studies that they want to share with you or us?

Hon. Mr. Bentley: No. We have access to studies prepared by others, which would be, I suspect, publicly available. What we need to do is take the information from all sources and make sure that the program we come up with, of which tuition is part, improves access.

Mr. Marchese: I agree and I understand. But the study that I refer to shows that enrolment dropped for students from middle socio-economic backgrounds after Ontario allowed deregulation. That's what that study shows. Does that worry you?

Hon. Mr. Bentley: Yes. The study that was outlined indicated enrolment in professional programs—it outlined three—for middle-income families where the parents had obtained up to one post-secondary degree, not a higher degree than that, and it showed an enrolment drop. What I'm taking a look at in the study are the specifics about the enrolment drop. What is it tied to? What were the factors? Was it the increase itself? Was it the rate of increase? Was it the lack of financial assistance? Was it sticker shock? Who knows? That's why we have to do some more work with respect to that, but that's one of many that are out there.

Mr. Marchese: Sure. I understand. With respect—

The Vice-Chair: You have one minute left, Mr. Marchese.

Mr. Marchese: Sorry?

The Vice-Chair: One minute.

Mr. Marchese: Holy cow.

With respect to deregulation, what is your view of that—the merits or lack of them? Do you have any views on that?

Hon. Mr. Bentley: I don't have a position on what the tuition framework should look like. I know that, deregulation or no deregulation, we've seen substantial tuition

fee increases under both scenarios. In the early 1990s there was regulation, but 7%, 8% and 10% increases.

Mr. Marchese: What is your view of deregulation? Do you have one? Should it be off the table or on the table? Is it good or bad?

Hon. Mr. Bentley: I'm taking advice from the people who are at the tuition framework table, and I don't want to preclude receiving that advice and considering it all. I think that at the end of the day we need a system that is accessible. That is the goal.

I'll just say that we need an accessible system. I'm not sure—I'll simply say that accessibility is the goal and there are a number of huge concerns that arise, if you have some sort of completely deregulated system, about how you would guarantee accessibility. So if you're asking me for the extremes, it's not one that I find very attractive personally. I certainly will take advice. I don't think that you'll try to convince me otherwise. But I think we need to design a system for access.

The Vice-Chair: Thank you very much, Minister. Now we move to the government. The Chair recognizes Mr. Leal.

Mr. Jeff Leal (Peterborough): Welcome, Minister. It's good to have you with us today. My particular case, the riding of Peterborough, is the home of Trent University, which I'm a graduate of, and Sir Sandford Fleming College. The founding president of Trent University, Tom Symons, is still very active in the community. A former Premier of Ontario, Les Frost, was the first chancellor at Trent University. The founding president of Sir Sandford Fleming, the late David Sutherland, was the husband of our current mayor, and, of course, there is Bonnie Patterson, who is the president of Trent today, and Tony Tilly.

Minister, I just wanted to touch upon a couple of things that are going on in the riding of Peterborough. The first one, as you know, is we that have a site where there has been active construction going on for the past 90 days. We have over 100 construction workers on site each day. We have one truck loaded every minute and a half, resulting in over 76,000 cubic metres of soil removed from the site. We have over 300 tonnes of rebar installed in concrete and over 3,800 cubic metres of concrete poured. We have two cranes on-site and two more cranes are coming next week. We have a Web cam operational so that the folks in Peterborough can see the activity. Oh, I'm sorry, Minister; that was the new hospital, where we started construction on June 27. I just got a little carried away for a moment, but I do have a question for training, colleges and universities.

Minister, you know that the McGuinty government, with its Reaching Higher plan, is making the most significant investment in education in the past 40 years. A \$1.5-billion investment in student support will see 135,000 students in our province receiving enhanced support. Significant investment will ensure that students are receiving better education in our province. The McGuinty plan will see more students having access to higher-quality education.

Minister, in addition to these investments, I'm interested in knowing what has been done by the government to ensure that students are in a safe and appropriate physical environment and to ensure that they have the best equipment necessary to prepare them for a globally competitive, knowledge-based society. In addition to the general initiatives, could you tell me what specific improvements students who are attending school in my riding will see at Sir Sandford Fleming College and Trent University?

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Hon. Mr. Bentley: Thank you very much. Congratulations on the hospital. I know the people of your community will benefit greatly.

Mr. Leal: Minister, I just want to correct the record. I believe that at estimates on September 26 there was some erroneous information that was provided, so I wanted to get a chance to set the record straight. But please answer my question on Fleming and Trent.

Hon. Mr. Bentley: I absolutely will. It's a fascinating process this, where I get to hear about education and health at the same time as training, colleges and universities.

I'm looking forward to visiting your riding, the Peterborough area, and visiting the campuses of Trent and Sir Sandford Fleming—wonderful post-secondary educational institutions providing opportunities for the constituents not simply of the Peterborough area but, frankly, from all around Ontario and beyond the borders of Ontario. Their reputations extend far beyond the borders of the province of Ontario.

You make a very good point. We are making huge investments in the post-secondary education system, but when the students come, they have to have a safe, appropriate place for learning. Unfortunately, from time to time, although we've heard lots of talk about investments in new buildings, the question of renewing existing buildings has not always received the attention that it might over the course of time. At the end of the last budget year, this government was able to announce a very substantial investment in achieving just the type of goal that you outlined is necessary for the students attending your fine post-secondary institutions.

This government announced a \$250-million investment through its facility renewals program to do a couple of things. First of all, it was an investment to assist universities and colleges, because every institution benefited with money from this fund and it was designed to address deferred maintenance, renewal of teaching spaces that needed not only renewal in terms of physical appearance or outlay but renewal so that they could be up to date. For example, an up-to-date classroom today is a little different than a classroom 30, 40, 50 years ago: investments to ensure that you could have energy-efficient heating plant processes, which in many cases save institutions a significant amount of money, and investment to ensure that the issues of deferred maintenance are addressed so that when students come, they have

clean, healthy, appropriate spaces which actually enhance and make more effective the learning experience.

I'm pleased to report that both of your institutions benefited from these programs. In fact, Sir Sandford Fleming benefited from the additional \$50 million on top of the \$200 million, its share of that, because \$50 million was made available to colleges to support investments in equipment, equipment acquisition, equipment renewal and other types of resources that are necessary for the enormously important skills mandate that our colleges, in particular, have. As you know, Sir Sandford Fleming and so many other colleges throughout Ontario are really on the front lines of meeting the demands for enhanced skills in the province of Ontario.

Specifically, Sir Sandford Fleming benefited from approximately \$4.2 million from these funds, and Trent from almost \$2.2 million from these funds. Sir Sandford Fleming has used the money to, among other things, update a welding shop that's used by some of the trades—probably some of the trades that are now going to be working on that hospital that you outlined, because, of course, you can be a journey person or an apprentice to be working on a project. They were also modernizing a training lab with respect to the food program that they have there. Those were just some of the many ways in which it was used.

Trent, I know, has been using and continues to use its funds to update its facilities. The fact is that these monies—some have been expended already, some are being expended as we speak and some are for projects that are about to launch.

It's an enormously important investment. We look forward to continuing to support all institutions, and I look forward to getting to yours in the near future.

Mr. Leal: Thanks very much, Minister.

The Vice-Chair: Further questions from the government side? The Chair recognizes Mr. McNeely.

Mr. Phil McNeely (Ottawa—Orléans): Thank you, Chair. I didn't realize I was next.

Minister, one of the members mentioned earlier that the Ontario Chamber of Commerce recently released a report that projected a shortage of 100,000 skilled trades workers in the manufacturing sector in the next 15 years. What measures are you taking to ensure the province will have enough workers in the future?

Hon. Mr. Bentley: I think that's an excellent question. The chamber of commerce's recent report outlines what chambers have been saying for years in several different ways. First of all, the chamber has been very active in saying that the government of Ontario should be investing in our post-secondary and skills agenda. They said that years ago. They said that under previous governments. We're delivering on that advice given. We're delivering on a commitment to the people of Ontario.

The skills shortage is going to be a significant one. This is not something new. People of Ontario have known about it for years. But our plan will enable us to meet the demands that the skills shortage will place on our economy and the productive nature of it. We have a

determination to improve specifically the number of skilled trades in the province, and, in order to increase the number of skilled trades, you've got to increase the number of apprentices. We have several initiatives out there right now to specifically address those facts.

First, we have launched the apprentice training tax credit, which provides up \$5,000 for an employer to hire an apprentice; \$5,000 a year for three years. That helps defray the cost of training and taking on an apprentice. The more apprentices you get out of the classroom and placed, the more skilled trades you're going to have in the future.

We are going to provide \$11.7 million annually by 2006-07 to support more apprenticeship opportunities. Of course, there are many players that come together in an apprenticeship. There is the employer and there are the trainers. Both colleges do a lot of training, and we have a number of non-college trainers, such as our labour sector, that provide a great deal of training in many facilities, some of which I've toured over the past while.

We have some specific initiatives both to support apprenticeships and to encourage people to get into apprenticeships. As early as high school, through the OYAP, the Ontario youth apprenticeship program, we encourage people to take a look at what an apprenticeship would look like, get a little taste of what the trades are. The trades are an enormously fabulous occupation. You get steady work, you get a great income, you could work on some of the most sophisticated equipment with some of the most sophisticated processes you'll find in any workplace in the province of Ontario. We need to encourage more people to take a look at this, an area that has, sadly, not received the attention it should for many years. This year we expect to have more than 20,000 in our OYAP program.

We have pre-apprenticeship programs. We have addressed some specific programs to students who have left secondary school, to bring them back through our scholarship and bonus programs. So, if you've left high school, you come back, you take the upgrading to the GED, the grade 12 that you need, we'll give you a bonus as an individual and we'll give an employer a bonus if that individual then signs up with the employer. We really encourage students who have left the system to come back, reconnect with the trade and get on.

We recently announced a co-op diploma apprenticeship program, which is a new approach to entering an apprenticeship. It means you don't have to choose between getting a diploma or entering an apprenticeship. In fact, what you can do is have both; you can have the best of both worlds. I know that we had some figures specifically related to the co-op diploma apprenticeship program with respect to Algonquin College and La Cité, and I will just find the figures for that. What this program essentially does is provide the opportunity to obtain both a diploma and an apprenticeship. You start with the college, you start getting the training necessary through the college, and then you get placed out with an employer. Depending on the program, it takes two, three or

four years. At the end of the process, you have not only your diploma, but you also have your apprenticeship well underway. Algonquin College has always been a substantial participant in these programs, and they participated in this. It's the type of program that is really necessary to ensure that all of the people of the province of Ontario have the opportunity to enter the trades.

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In the cook/culinary management area, Algonquin College has 24 new persons starting; in the automotive service area, they've got 30; and in the general machinist/mechanical area, they've got 30. In fact, they have one of the biggest numbers. That college, I understand, is right in your backyard; a fine educational institution. They have almost 100 new co-op diploma apprenticeship students starting. It's an expansion of the program. We started last year—almost 1,000 across the province. It's another way we're going to meet our goal of 26,000 new apprenticeship registrations by the year 2007-08.

If you get new apprentices registering, you're going to get new journeypersons at the end of the process. So I'm very excited about that. It looks like Algonquin College benefited to the tune of a little over \$1 million in that program: an enormously good investment for the college but, more importantly, a great investment for the students and an important investment for the people of the province. Those are just some of the areas where we're looking to meet the need that you outlined.

Mr. McNeely: Thank you, Minister, for that. I was pleased to be at the University of Ottawa for the launch of that new general-purpose building three or four weeks ago. Algonquin and La Cité collégiale are certainly excellent institutions in our area.

We'll be having the education minister in here in the future, but the attempt to keep kids in school until they're 18: How does that overlap with what you're doing, because it would seem that they can move to your colleges and still be part of that policy.

Hon. Mr. Bentley: You're absolutely right. In fact, the Minister of Education and I are working increasingly closely together on initiatives that will encourage students not simply to remain in school till they're 18 but to have a destination after they leave. That is the key. Central to the Reaching Higher plan is to encourage people to reach a level of skills attainment and education that they might not have before. If you're going to get there, you have to find ways of encouraging people who've not learned as well as they might in the traditional settings—the classroom with the teacher and the usual supports—to look for other opportunities.

We've got a number of different initiatives. I mentioned OYAP, our youth apprenticeship program. We're giving an opportunity to more than 20,000 students to get a taste of what a trade will look like within the high school setting. That's a great springboard for future apprenticeship opportunities. We have some youth-at-risk opportunities that we announced just the other week. We're going to give almost 100 individuals, who could

be those who've left high school without obtaining a GED, the opportunity to enter these pre-apprenticeship programs, which combine upgrading with work preparation skills with co-op placement with an employer to obtain knowledge about steady work, about getting a trade, about what an apprenticeship could look like. Again, it's a springboard for people who wouldn't otherwise have this opportunity to get into a trade and have a place to go.

As the Minister of Education outlines and develops his opportunities for learning to 18, the key part of that, as I say, is what happens after. So when we get the co-op diploma apprenticeship program that I spoke about, when we have the increased pre-apprenticeship and apprenticeship opportunities for the future, when we take the student scholarship and the employer bonus programs, when we enhance the training that colleges can do in terms of apprenticeship preparation or other skills enhancement programs: These are all different pathways that students can take from secondary school education to something that goes beyond that, and it's a question of strengthening the pathways. That's the key to ensuring success for everybody in the province of Ontario.

The Vice-Chair: With that, we'll go to the opposition. With the time remaining to finish, we're going to go to 10-minute rotations.

Mr. Cameron Jackson: Minister, was your staff able to find the data I requested in their binders?

Hon. Mr. Bentley: Sorry; the 2003-04, or the 2004-05?

Mr. Cameron Jackson: I have a series of five requests for information.

Hon. Mr. Bentley: I haven't seen those yet, so if I could see those, that would be great.

Mr. Cameron Jackson: They were verbally put on the record through the Chair, and research has them. I know your assistant deputy minister has them. I want to make sure we can complete today, so the co-operation of your staff is invited here.

Hon. Mr. Bentley: Thank you very much, but I'd like to see the questions before you otherwise engage the staff in finding information.

Mr. Cameron Jackson: Let me explain the process, as the Chair of estimates. It's a verbal process, and we've made a request for information. It is now on the record. We would appreciate receiving them during the course of the estimates. I simply asked if any of the—

Hon. Mr. Bentley: I haven't heard them yet.

Mr. Cameron Jackson: I'm sorry?

Hon. Mr. Bentley: I haven't heard what the request was, so I wouldn't mind hearing what the request for the information is in order to ascertain whether we're in a position—

Mr. Cameron Jackson: Let me ask your staff if they're aware of the questions. I requested them. Certainly, the researcher has them. You have about 12 or 15 staff here.

Hon. Mr. Bentley: That's great. I'd just like to know what they are before we engage the staff in the process of

finding the information or determine whether we're available.

Do you have them?

Mr. French: I've got some preliminary numbers here.

Mr. Cameron Jackson: While the minister is getting caught up here, I just want to indicate that in our last estimates with Minister Chambers, she was extraordinarily helpful, as were her staff, in their level of professionalism. I also put on the record at the time that the Minister of Education, who Mr. McNeely has referenced will be before us fairly soon, was asked a significant number of questions, and we have not received a single one of those answers one year later.

Hon. Mr. Bentley: I just wanted to know what you're asking, just for my assistant. He's got the answers right here, so if we could turn them over to him, he can provide—

Mr. Cameron Jackson: Thank you. Chair, I will just make sure—I'm still trying to explain the process to the minister. These are documented. We will dialogue with the staff and our legislative research department, which is charged with the responsibility of making sure that the material that we ask for on the record is forthcoming.

In our efforts to try today to be completed in our estimates before the end of the day, we invite the ministry to bring that information forward now and not have us come back tomorrow to look at that information—"tomorrow," if it takes that long. I simply asked the assistant deputy minister if his staff had any of the responses from their binders ready to share with the committee at this time. I suspect the answer is no.

Hon. Mr. Bentley: Actually, I think he does have some of the answers. I just simply asked, as a process, since I'm here before the committee and otherwise answerable to the people of Ontario, that I have a copy or get to see the request that you've made verbally through somebody else before the staff engages in the process of finding information.

The Vice-Chair: Just a clarification here. I think what happens traditionally is that the staff are listening attentively to the questions that are raised during the process, as is the researcher as well. Normally, they're enunciated in writing by the researcher and/or your staff and responded to to the committee for all members to share. That's been kind of a tradition.

Mr. Cameron Jackson: If staff are having difficulty following the hearings verbally, that's not a problem.

Mr. Marchese: Staff was very clear.

Mr. Cameron Jackson: I think they are, but as I say, if the minister wishes to finish today, we'd like to invite the full co-operation of his staff.

I wanted to return, because I'm requesting specific statistical information: Minister, what are this year's allocations for universities, and have we formally notified the universities what their allocations are? What date will that occur? Are there agreements with these universities and colleges signed as yet? If not, when will they be signed, and when will they be available for the committee to examine?

Hon. Mr. Bentley: Just as a preliminary, not to use up your time, I hadn't seen what the information that you had requested was, but you had indicated earlier what it was. I think they're quite hopeful in terms of getting the 2003-04/2004-05 breakdowns sometime during the course of the day.

With respect to the allocations, we said in the budget that we were going to increase the amount of money we're spending for access and for quality, but there would be accountability. That accountability will require that, as we expend the money, we know the results that we're going to achieve. So we've been working very hard on the accountability part of the process, because this is a little different—a lot different, actually—than the process that has been followed in the past.

We're working with the institutions, the universities and the colleges, to determine how the money can be flowed to them in exchange for results that we're going to see for the expenditures. The people of Ontario, after all, would expect to see results.

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There are really two parts to the process.

For the future years, we will have accountability agreements between the government and the institutions that will outline certain expectations and will also outline the funding that will attach to the expectations. The level of detail is something that we're talking about. The precise expectations are things that we are currently discussing. What the approach to funding actually looks like is something we're still discussing.

The funds for this year: I suspect that a number of the institutions have probably done their own quick math, after seeing the budget, about what was going to be roughly going out the door. We're working with the institutions on an ongoing basis, I hope sooner rather than later, to be able to flow the specific numbers to them, but the allocation letters have not yet gone out.

Mr. Cameron Jackson: Mr. Chairman, I guess I'm asking, what are this year's allocations? You have those. My first request—

Hon. Mr. Bentley: No. We don't have the allocation amounts.

Mr. Cameron Jackson: Please let me finish, Minister, while I have the floor.

This year's allocation: We have a global number in estimates for colleges and universities. My first request was that I'd like that broken out for colleges and universities. I don't want to be repeating myself, but that was my first request. I suspect that that's the number, if the colleges and universities have it, that they're working on as a global number for all universities and a global number for all community colleges. I'd like to have those numbers, and I'm sure Mr. Marchese would like to have those numbers, so we can track them.

Hon. Mr. Bentley: We don't have those numbers. We've broken them out—

Mr. Cameron Jackson: You mean you've announced post-secondary funding in this budget year and you do not know the difference between how much will go to

colleges and how much will go to universities at this point?

Hon. Mr. Bentley: The precise breakdown depends on the allocation of a number of different baskets, such as for tuition fees, enrolment—

Mr. Cameron Jackson: Fair enough. I'm simply asking. You cannot give me a number today, even though the academic year began three, four weeks ago. We do not have a breakdown between colleges and universities.

Hon. Mr. Bentley: We've not finished the process. No.

Mr. Cameron Jackson: Thank you. Then, will you need legislation in order to implement the accountability agreements, as have other ministers in your government who have brought in accountability agreements with hospitals and with school boards? You will not require legislation in order to enforce those accountability agreements.

Hon. Mr. Bentley: That's certainly something that—

Mr. Cameron Jackson: Is it a yes or a no?

Hon. Mr. Bentley: That's a question that has been raised. It's something that we're taking a look at. It's something that I suspect we'll determine in the course of our discussions with the colleges and universities and in the course of how we can ensure that we achieve the results that we want to with the investments.

Mr. Cameron Jackson: Thank you very much. And a ballpark figure? You obviously have a process in place that now is a form of a negotiation in terms of institutions' ability to manage their envelope. Are we talking about finishing that before the end of this calendar year?

Hon. Mr. Bentley: Yes.

Mr. Cameron Jackson: OK. And they will take the form of separate agreements that we've not heretofore been using in the province?

Hon. Mr. Bentley: That's right. We haven't been using this approach before.

Mr. Cameron Jackson: Thank you. That's the answer to my question. I appreciate that very, very much. How much time have I got, Mr. Chairman?

The Vice-Chair: You've got three minutes left.

Mr. Cameron Jackson: Minister, a general question: You have announced multi-year dollars for universities, as I understand it, but not for colleges. I'm trying to reconcile the fact that when I talk to the university sector, they say we are aware that we have a multi-year commitment and they have a rough idea of what monies they might anticipate in year two, year three and year four of your budget announcement of 2005.

Hon. Mr. Bentley: We haven't announced multi-year numbers for one and not the other. We've not announced anything other than what's been found in the general budget documents.

Mr. Cameron Jackson: So you may be working toward a multi-year plan, but at the moment we don't have one on the table.

Hon. Mr. Bentley: That's right.

Mr. Cameron Jackson: OK. Thank you.

Hon. Mr. Bentley: We're trying to get the interim agreements done, and the advice from the interim agreements will feed into the process for the multi-year.

Mr. Cameron Jackson: Are the interim agreements what you were referring to earlier as the accountability agreements?

Hon. Mr. Bentley: There will be interim accountability agreements; yes.

Mr. Cameron Jackson: Do the colleges and universities currently have the framework in which those interim agreements will be cast?

Hon. Mr. Bentley: Not in the detail that we hope to be able to provide very shortly. It's been an ongoing discussion process at the moment as to our expectations and what they would like to or can deal with in terms of this accountability process. It is, as you correctly outlined, a new process for all, so we're working as quickly and diligently as we can to reach the conclusion of this process.

Mr. Cameron Jackson: Some of these questions come from concerns raised by the Ontario Confederation of University Faculty Associations. Their researcher, Trish Hennessy, wrote me, as the critic, with information. I just wanted to get a couple more of those on the record. To you as the former Minister of Labour: They've raised a question about how the delay of the legislation on mandatory retirement has already meant that one cohort of university professors was forced to retire at age 65. I know this is a subject near and dear to your heart, so could you give us a glimpse as to where we might be going with this and how this might impact positively on our university sector? The faculty association is kind of anxious here.

Hon. Mr. Bentley: Do you know what? I had the pleasure of introducing that legislation and tabling it for first reading. That was not too long ago, so I'm not sure about the delay. We didn't sit during the summer, and I know my colleague Minister Peters will be looking forward to addressing the issues in various forms in the not-too-distant future.

Mr. Cameron Jackson: But you are aware that the sector is quite anxious to see that.

Hon. Mr. Bentley: It has been expressed to me by the sector and by faculty members that they were looking forward to seeing that. I was very pleased to have been able to introduce that bill.

The Vice-Chair: The Chair recognizes the NDP. You have 10 minutes.

Mr. Marchese: I want to get back to deregulation and tuitions in general. But before I do that, I just wanted to raise an issue that you touched on having to do with the Ontario student opportunity grant. I'm concerned that the federal government gives students money for their education and then the provincial government takes a major portion of it before the student can use it. This is the situation facing many Ontario students due to the current arrangement between the Canada Millennium Scholarship Foundation and the Ontario government. The millennium fund awards scholarship is based on need,

but in an effort to trim budget expenses, the Ontario government is using the scholarships to subsidize already existing provincial loan programs, or the Ontario student opportunity grant.

Under the current Ontario student loan program, students have any amount over \$7,000 forgiven from their regular loans. But in Ontario, when the millennium money is awarded to students, it will cancel out the loan forgiveness portion of the program. So if the student borrows \$9,075, let's say, \$2,075 of it will be forgiven. If you are an Ontario student who has received \$3,000 from the millennium fund and have also been offered \$2,075 in loan forgiveness, the millennium money gets paid directly to the bank. As a result, Ontario students could be left with only \$925 in debt relief rather than the \$3,000 they thought they could use. Many students are then being taxed on the full \$3,000, leaving them with laughably small sums after taxes are paid from the \$925. Students report receiving \$125 after all the deductions were taken away. It is estimated that this duplication results in a saving of close to \$100 million to the Ontario government.

My question to you is this: Does your government think it's OK that part of your scholarship, which is awarded based on need, ends up in the pockets of the provincial government instead?

Hon. Mr. Bentley: Actually, it doesn't. The federal money comes to the province, and because of the arrangement between the province and the millennium foundation with respect to the grants, money is flowed back through other enhancements.

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I'm going to let one of the staff address the specifics of the OSOG program and how it interacts with the grant money, but I do note that the \$7,000 figure is one that started at \$5,700, I think, during the NDP years. The NDP increased it to \$6,000 retroactively—

Mr. Marchese: I'm just talking about the clawback of the millennium money. That's all I'm talking about.

Hon. Mr. Bentley: —and is now up \$7,000.

With respect to the alleged clawback, Richard, why don't you—

The Vice-Chair: Give your name for Hansard, please.

Mr. Richard Jackson: My name is Richard Jackson. I'm the director of the student support branch at the Ministry of Training, Colleges and Universities.

The arrangement that Mr. Marchese was describing was outlined in the agreement we signed with the millennium foundation about seven or eight years ago. It was well known by both the province and the millennium foundation when we signed that agreement that the funding the millennium foundation wished to provide Ontario students would displace funding that would normally have been provided by the province. As a result of that, there was a clause in the agreement that requires the government of Ontario to reinvest those savings on behalf and to the benefit of post-secondary students in Ontario. This is quite consistent with the arrangement in other provincial and territorial jurisdictions.

Mr. Marchese noted \$100 million in displaced funding; it's actually closer to \$80 million.

Mr. Marchese: Sorry, we're off a bit.

Mr. Richard Jackson: Yes, but just to set the record straight.

Mr. Marchese: Sure.

Mr. Richard Jackson: And in each year of the agreement, the government of Ontario—current and previous governments—has fully met the reinvestment expectations of the agreement.

Mr. Marchese: I got it. Minister, does your government plan to put a stop to this or do you think this is OK and we'll just keep going the way we are?

Hon. Mr. Bentley: My understanding with respect to the access grants is that they are not actually clawed back as you outlined, that they're a net benefit to the students.

With respect to where we intend to go in the future—

Mr. Marchese: Sorry, your name again?

Mr. Richard Jackson: My name is Richard Jackson.

Mr. Marchese: Mr. Jackson just said that it's part of the agreement. This was made very clear.

Mr. Richard Jackson: No, I was talking about the Canadian millennium bursaries that have been in existence—I believe this is year seven of that.

Mr. Marchese: Right.

Mr. Richard Jackson: The agreement that the current government signed around the time of the provincial—

Mr. Marchese: Seven or eight years ago, right.

Mr. Richard Jackson: No, this year. As a result of that, the millennium foundation, because they had made a better return on the investments of their endowment, approached individual provinces asking them if they would deliver additional grant programs on their behalf, which we did. We are partnering with the millennium foundation. The value of the grants will be approximately \$25 million this year, with the millennium contributing approximately \$19 million and the province the other \$6 million. In addition to that, the province of Ontario has been able to deliver a second-year grant.

Hon. Mr. Bentley: It's not clawed back, though, right?

Mr. Marchese: Mr. Jackson, the minister is saying that money is not clawed back, as you described it. As you described it and as I understood, it was part of the agreement that said that money would be reinvested. The money that's clawed back—you didn't say "clawed back"—would be reinvested to help students, presumably.

Mr. Richard Jackson: I'm trying to distinguish between the two millennium bursaries, one being the Canada millennium bursary, where there is a displacement of provincial student assistance funds, where the province is committed and has reinvested those savings on behalf of Ontario students.

Mr. Marchese: That's what I was talking about, isn't it, Mr. Jackson?

Mr. Richard Jackson: I'm not sure if you're talking about the grants that were announced by Minister Bentley several months ago or the grants—

Mr. Marchese: No, I was talking about the old system.

Mr. Richard Jackson: I'm explaining both of them to you, I thought.

Hon. Mr. Bentley: Thank you very much, Richard.

You asked me, with respect to the future, what we intend to do—

Mr. Marchese: Minister, sorry; are you still claiming it's not a clawback?

Hon. Mr. Bentley: Sorry, you asked me—

Mr. Marchese: Are you still claiming it's not a clawback? You said it's not a clawback. Are you still saying that?

Hon. Mr. Bentley: I was asking the question to him, and I think you got the answer. It's not a clawback—it complies with the agreement.

The Vice-Chair: Mr. Marchese, are you satisfied with the answer to you?

Mr. Marchese: He's just playing lawyer all the time he's here.

Hon. Mr. Bentley: It complies with the agreement the previous government signed to make sure the money is not going to be held by us.

Mr. Marchese: Are you going to change that agreement?

Hon. Mr. Bentley: Well, if it's a net loss to the people of Ontario, I'm not going to rip up the agreement. At the moment, we get the benefit of the investment—

Mr. Marchese: If it's a net loss to students, will you rip it up?

Hon. Mr. Bentley: —and we get the benefit of the money displaced. So I think we want to be careful.

Mr. Marchese: So things will go on as they have, presumably. That's the answer I'm getting.

Hon. Mr. Bentley: We're going to continue to improve the system.

Mr. Marchese: Of course you are.

Hon. Mr. Bentley: If we can through that way, we will, but we'll look for other ways as well.

Mr. Marchese: Of course you will.

With respect to deregulation, the Rae report recommended complete deregulation of tuition fees. When I asked you earlier what you thought about deregulation, you said you were going to listen to people and so on. Mr. Rae had recommended a complete deregulation of tuition fees. Are you thinking about that? Is your staff giving you advice about that? Are you going to reject it or are you just going to be listening to people and see what you're going to do?

Hon. Mr. Bentley: We're taking advice from all quarters. There was some advice outlined in the Rae review. There's been some different advice outlined from the different student groups. There has been some advice outlined by the various institutions. What we are determined to do is to distill that advice and come up with a framework that actually works for all the people—

Mr. Marchese: I got it.

Hon. Mr. Bentley: —to improve the access.

Mr. Marchese: Yes, it's pretty clear. To get back to the whole impact of tuition fees on students and—

The Vice-Chair: One minute left, Mr. Marchese.

Mr. Marchese: —I'm going to ask you and your staff to help me out. Have you studied whether high debts due to high tuition fees puts a heavy economic and psychological stress on graduates?

Hon. Mr. Bentley: I can't imagine that any debt would not cause some discomfort, anxiety or stress to anybody, for whatever reason. I would think that was natural. The issue is, what are people getting access to, what are they—

Mr. Marchese: No, no, I understand that.

Hon. Mr. Bentley: What are they able—

Mr. Marchese: Minister, that part I understand.

Hon. Mr. Bentley: —what are they able to pay, how are they able to afford it, how do we ensure that the system itself is sustainable? Part of sustainable is making sure—

Mr. Marchese: Minister, I understand that part; I agree. You answered it before. But there have been no studies, and you're not interested in doing any studies, to assess the psychological and economic stress on students—or are you?

Hon. Mr. Bentley: The economic stress has been outlined in a number of different studies that we have access to, the increased debt from 1990 on, the increased costs from 1990 on. That's part of the access discussion, which is, how do you deal with the debt—

Mr. Marchese: I understand, Minister, but would you be interested in doing a study from 1990 on? I accept that, sure.

Hon. Mr. Bentley: —and how do you deal with the debt in designing the tuition framework as part of a broader access strategy?

Mr. Marchese: All right, let me ask you another question. Do you know whether student debt burdens lead to a student delaying normal life stages such as marriage? Have you researched that, by any chance, or does that even concern you at all?

The Vice-Chair: There's about half a minute left, Minister, if you'd care to use that time or go to your rotation.

Hon. Mr. Bentley: Thank you very much. The government's determined to improve access, and part of access is to ensure that people are not prevented from accessing post-secondary opportunities—

Mr. Marchese: I understand, but that's not the question I asked you.

Hon. Mr. Bentley: —by reason of financial barriers. As we improve the financial student assistance program, as we make more spaces available, we're determined to come up with the fairest, most reasonable system possible.

Mr. Marchese: And the answer to my question?

Hon. Mr. Bentley: The answer to your question is, we're working very hard on the best system for people—

Mr. Marchese: Does student debt burden lead to students—

The Vice-Chair: Thank you. That ends this rotation, and there will be more time. With this, the Chair recognizes the government party.

Mr. John Milloy (Kitchener Centre): I want to add my formal congratulations to the minister on assuming the new portfolio, although we've had a chance actually to interact in his new role. The minister has visited my area twice, both times to go to Conestoga College, which is one of the three post-secondary institutions we have in our region. I was pleased that the first time you came to Conestoga College, Minister, you came to meet with representatives of the college student federations from across the province, I think sending out a key signal that at the end of the day this is about students, first and foremost. I'm certain that, as well as coming back to Conestoga College, you're also going to be visiting the other two fine institutions we have in Waterloo region: obviously the University of Waterloo, which was recently ranked by Maclean's as the number one university in the country, and Wilfrid Laurier University, which is always not very far behind. I think it was ranked third or fourth.

I want to spend a minute asking you about Conestoga College, which, again, takes no back seat to any community college in the province or to a similar institution in the country, and has a huge impact on our local economy. In fact, a recent study showed that 50% of people who live in Waterloo region have an association with the college. If they haven't studied there formally, they may have taken a continuing education course or have been involved in some other way. In fact, if you go around and ask people, so many people have benefited from it.

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One of the leading areas that it's involved with is apprenticeships. I heard your answer to Mr. McNeely, but I wanted to zero in on some of the costs that are associated with the programs. One of the approaches that Conestoga College has is something called the skills consortium. Actually, on the day after budget day, I had a chance to sit with the board of the local skills consortium at Conestoga College. It's a group of individuals—business owners, skilled tradespeople from the community, Conestoga College staff and student representative—who run this program. They act as advisers and work with the business and skilled tradespeople to develop the program curriculum and the program placement. In a sense, they're going out to the future employers and saying, "What are the needs in the community? How can we design a program that meets them? How can we also make sure that these students have a proper placement?" I was quite blown away by the level of co-operation and interaction from the businesses and the students and, of course, the staff representatives.

One of the problems, though, is that in so many sectors in post-secondary education, as the old joke goes, it's sort of chalk and talk, but in apprenticeship it's about machinery, and as we're getting into more sophisticated programs and approaches, they really do need money and funds for equipment, especially because you can't train

someone on a piece of machinery that hasn't been used in 20 years and then expect them to go out into the private sector. I just wondered if you could comment a bit on where we're going in terms of equipment and machinery in the apprenticeship field.

Hon. Mr. Bentley: Thank you very much for the question. You outline an extremely important issue that faces colleges specifically, but our post-secondary education system addresses our ability to meet the skills shortages in the future. I have been pleased to be at Conestoga College on a number of different occasions. In fact, I think if I'm there too much more, they're going to charge me tuition for the programs. I think the last time we were there was to announce part of the money that Conestoga received, as well as Waterloo and Wilfrid Laurier received, through that capital investment that I mentioned was made at the end of the last budget year, the \$250 million that was made specifically.

I remember at Conestoga we were walking through the power plant and up on to the roof of Conestoga College, looking at what the investment for Conestoga had actually purchased. It's not the usual thing that you talk about in terms of ribbon-cutting or announcements. It was a restoration and an improvement of their physical plant structure, which really meant for Conestoga that they would be able to separately heat and cool some individual classrooms, particularly important for Conestoga because, as you've told me on a number of different occasions, they not only have full-time students; they have part-time students coming in at all different hours, during the weekends as well. What they've now acquired, through this program, is the ability to separately monitor and moderate the temperature in these classrooms, new classrooms built with the money as well, in a way that doesn't require they crank up the whole heating plant on a weekend, for example. This saves them an enormous amount of money that can be reinvested into other programs.

Now, how do you ensure that the programs they deliver are not just, as you say, chalk and talk, but actually address the specific needs of the students? You have to have up-to-date equipment, technologically advanced, and enough equipment for the students to actually learn on and learn with, because it's not enough if you take it off the blackboard; you've got to use it. We have college equipment and apprenticeship enhancement funds. This year we are providing \$10 million for the update of equipment for the colleges. That's available for all the colleges. Part of it's an allocation, and part of it will be a competitive tendering process. I know Conestoga benefited from this type of program last year. They got a rather significant amount, as I recall, last year in these equipment enhancement funds through the competitive process. That's a fund that will enable the colleges to continue to renew equipment, continue to acquire new equipment to support apprenticeship and other skills development programs.

I mentioned the \$200 million that went out at the end of the last budget year. There was an extra \$50 million

that went out specifically to Conestoga and other colleges to support equipment improvements, equipment acquisition and equipment renewals. This is the type of investment that the province made in order to fully support the classroom training of various skills programs, such as the one you outlined.

The future requires that we have our students acquire ever greater knowledge and ever greater baskets of skills. Colleges are uniquely situated to deliver on the skills agenda. We're determined, as a government, to support the colleges in meeting that and their other agendas, in part through the substantial investments in operating funds, but also in part through making sure that they have the tools and equipment they need to properly and completely teach the students they take.

We look forward to future visits to the Kitchener-Waterloo area.

The Vice-Chair: The Chair recognizes Mr. Arthurs.

Mr. Wayne Arthurs (Pickering-Ajax-Uxbridge): Minister, again, congratulations on your appointment. I look forward to working with you, as I did with your predecessor, Minister Chambers, on matters of mutual interest, in particular as it relates to UOIT, Ontario's newest university, an area that certainly Mr. O'Toole and I are very familiar with in Durham region.

In the context of your opening remarks you did make some references to persons with disabilities and the barriers that they face, both financial and the lack of understanding by staff and faculty about special challenges that they face in pursuing higher education. In particular, there are some strategies that are being recommended and that you're moving forward on to assist this group of students, both from the standpoint of additional funding for institutions to meet their obligations as to interpreters and transcription services, outreach, recruitment activities, career counselling and a post-secondary advisory committee on disabilities to provide advice on how to support increased participation. I find this very encouraging.

My personal, family-related experience is one where a member of my family went from the secondary system to the post-secondary system. Whereas there was a very high structure in the secondary and the elementary system to support students with special needs, it came as a bit of a shock and surprise to us that the post-secondary system didn't have that structure around it and, more to the point, with the level of independence that they have as institutions, that they weren't as well-equipped to address the needs of students with disabilities. So I'm very encouraged by this.

With the limited time we have available now, I'd be very interested in hearing any comments, any encouragement you might provide. Should the opportunity present itself later during the time that the ministry has, I'd also welcome the opportunity then to explore this whole area in more depth. I think that it's crucially important to a part of our community that deserves and needs the support of the system, particularly moving into the post-secondary area of colleges, universities and training.

Hon. Mr. Bentley: Thank you very much for the question. The work that we're doing through the Ministry of Training, Colleges and Universities is building on the groundbreaking initiative taken by this government in passing legislation that will ensure that we're going to make all of our institutions accessible to persons with disabilities over the coming years.

It really has commenced a conversation on accountability for all institutions to achieve what has been talked about so many times, which is access. What we're trying to do is provide persons with disabilities, whatever those disabilities happen to be, with access to the opportunities that post-secondary education provides. The Premier is determined to achieve this, and that's why part of the Reaching Higher plan has specific, targeted money to improve access for a number of different groups and a mechanism for achieving strategic advice.

Within the budget, we outlined that we would be setting up a number of committees to provide strategic advice on access issues. One of those committees, which already met with my predecessor in June, is a committee to provide strategic advice on how to improve access for persons with disabilities. I look forward to meeting with the committee. I look forward to being in a position to receive the strategic advice on how we can alter, amend or improve our approach to post-secondary education and skills enhancement in a way that will specifically improve access for persons with disabilities.

Now, of course, we'll do that generally, but there is a specific basket of money outlined in the money—it starts at \$10 million and it grows to \$50 million over five years—for specific initiatives to increase and improve access. I'm looking forward to this additional money to result in some direct access improvements. That's not all the money that would be expended, of course. Even during the facilities renewal investment that I spoke about before, there were some improvements that I was able to tour at various colleges and universities in the past with respect to making buildings more accessible. For example, when we were at Conestoga, one of the things that—

The Vice-Chair: Minister, your time has expired. It's very interesting. Thank you.

The committee stands recessed until 12:30 p.m.

The committee recessed from 1200 to 1232.

The Acting Chair (Mr. Phil McNeely): The committee is called to order. The first questions will be from the official opposition.

Mr. O'Toole: Thank you very much, Chair, and thank you for sitting in the chair.

I just want to put on the record, as Mr. Arthurs did as well, that I'm very pleased and supportive of Durham College and the University of Ontario Institute of Technology and the important contribution they make to our local economy, as well as the access for students, primarily, and for enriching the quality of life, as universities and colleges are known to have done or do. Really, at the end of the day this is all about students, in my view. As such, they offer us a better quality of life going

forward. In that respect, I had about four areas I wanted to comment on, and then maybe we could get into some questions.

One is, I want to compliment past and current government. The Ontario youth apprenticeship program is part of the Durham College campus in Whitby. It's an extremely successful program working in partnership with students as well as prospective employers. I would strongly encourage continuation of that program and other certification programs for apprenticeships and apprenticeship training. But this is a real opportunity for young students to experience the skilled trades area. I think we're all responding not just to the chamber of commerce but to the knowledge of the demographics in societies as the aging workforce issue is upon us.

As well as changing some of the reference points in the whole apprenticeship review that needs to occur of multi-skilling persons for emerging technologies and skills, where computers basically run a lot of the equipment today, they've got to have multi-skills, not just singularly vertical skills.

Another thing I'm very interested in is the whole idea of transitions in learning, the e-learning environment complementing the social and other developmental experiences that occur on campus. Each of us at some time has had, I'm sure, a time in post-secondary—I realize that this is a very important part of an individual's development, the social interchange with academics and students. It's extremely important—probably as important, sometimes, as the classes themselves. But the complement to the e-learning would be disrespectful to the amount of information and resources that are available today, as they weren't available in my time at the University of Toronto.

The idea of tuition fees is certainly a bit of a minefield of trying to explain how and when. We saw the response today on some of the federal-provincial programs and the confusion they offer to students as to what it really means. Five of my children attended university and some post-graduate school. We had three in university for three consecutive years, so I know full well what the experience is. But I've also found that students who work perhaps during their academic year—one was in engineering and is now a lawyer, and worked all through his university. I have a daughter who's now a high school teacher in England, but she worked all through her university as well. I think it enriches. She didn't work for income, specifically, but she had never been a teacher. She didn't develop those work skills and social skills and balancing time that are incumbent upon students today. So the tuition is another thing.

We've seen in the papers last week a lot of information about students' perhaps false expectations. It is a busy world; it's a multi-tasking world. That's the reality. Dumbing down the curriculum is not good for students. It may fit the numbers that we want to work, but it doesn't really embrace the reality of the world of work.

The double cohort, I think, as Mr. Jackson pointed out this morning, when we were government was touted as

the unmet challenge of the government of the day. But in fact it was seriously met with a lot of capital, a lot of innovative partnerships that built much of the infrastructure, which would include the University of Ontario Institute of Technology, and growing the number of opportunities, accessibility being at the top of that list for all the students—willing and qualified students, that is.

There's a question there, if there is too much emphasis by those outside the sector, if post-secondary only means university. I've found even in my own family that most of them had to be job-ready by taking, after graduation, courses that made them job-ready. The reality is, as you said, the end-game here. What is the end focus? It's a tragic reality in some interpretations, but in fact it's a real reality that most training and learning is for a job—for your own personal development. You can define that as a job or living or earning your own way or however you want to describe it—not to dismiss the importance of reading Tolstoy and these various things that we should do and experience in life. I'd say that that should be ongoing for life. That's lifetime learning, learning about the Internet, having access to the huge amount of information that we have around us today. That's ongoing. It's ongoing in the reality of the world; it's as important as reading the newspaper, or at least articles, to keep you abreast of the profession you're in.

I think of all the careers that are changing. I look at my son, who is in his fourth year of practising law for a senior firm, as you've done, and most of the rulings are online. These journals that they have in the office are just for pictures, basically. They are quite often looking at important Supreme Court decisions that are available almost instantaneously, in terms of research, that new students would be much more comfortable with at that new university.

I think of the UOIT. Thomas Coughlan, the president of the student association: "For students, the biggest post-secondary challenge is cost," said Thomas Coughlan, president of the University of Ontario Institute of Technology and Durham College student association.

"Students are going into debt beyond their control and beyond recovering from it even when you're done," said Mr. Coughlan."

1240

There are a couple of articles today in the papers that I can cite. I'll do that; just cite them. More recently, in an October 3 article here in the London Free Press, it says, "Although McGuinty had announced in February that the freeze would end next September, he caught many students off guard by confirming the bad news in a speech at Carleton University in Ottawa.

"Yes' tuition will go up 'and the price of milk, bread, rent, mortgage, houses will go up. The issue is by how much,' McGuinty told students."

So the idea during the election of saying or giving the impression that you're going to hold the line on student costs while the other emerging costs are the reality—it's important to be honest with the electorate, specifically with students. That even came across in some of the

articles in the clippings today, actually, specifically talking about these exit exams or entrance exams for post-secondary study. There's a lot of rancour about the literacy level being a prerequisite. I support that. Without being able to read, you can't use the Internet. You can't access the information unless you are literate at a certain level. It doesn't dismiss a person from achieving personal success in life, but it certainly would indicate to them what medium, what forum, what work destination they have in mind. If you're having difficulty reading, you certainly wouldn't want to go into a heavy research area where you've got to review journals and understand the content of those particular articles that you're critiquing.

At the university, I want to thank Gary Polonsky for the work done by him. As you know, he's retiring. He's a very innovative person, a pioneer in trying to make this whole transition between college and university a reality. In fact, I think many of the traditional universities—Western, University of Toronto—were not really in favour of that new model of governance. A lot of it had to do with these transitions of credits and prerequisites and these other transfers between institutions. It's still problematic. Prior learning assessments are, and should be—if someone has extraordinary abilities, are we not just paying for credits to keep X number of academics in work? In fact, that's the e-learning model too. We need to demonstrate, through some method of testing and evaluation—peer review or whatever of learning—an ability to fast-track some young people so they don't accumulate this huge debt just because they've got to do this 20-course load of material with so many credits that aren't related to their area of study.

I've really gone on here, because I'm depending on our critic, Cam Jackson, to really carry the ball. I'd say that—

Mr. Cameron Jackson: If you give me the microphone, I will.

Mr. O'Toole: Certainly I'd like to use most of the time.

A couple of things: I'm having trouble when I review the estimates, and this is probably my eighth year sitting on these. If I look at the estimates, it's hard to capture the numbers. I don't say I blame you or us, or anyone else, for that matter. But if I just look at one area in your ministry estimates under "Student Support"—and I see that's the big part of the Rae thing—

Hon. Mr. Bentley: What page?

Mr. O'Toole: I'm on page 30 of your estimates. I'm also looking at the estimates in the large estimates book, and it's on page 362, I think—student support. It shows the vote number, and it will be on the number of \$109,197,400. Then there's \$3 million for administration, which is taken off. It's \$106,197,400. That's your student support, the full amount for this year, as I understand it. Maybe you could clarify it for us, because even in your book it doesn't break it down, as Mr. Jackson has mentioned a few times, between college and university and for other programs that may qualify, whether it's the private institutions or whatever. Could you perhaps, if

not in your response, give us some indication? That's just one line on this \$4-billion budget that is probably getting more attention at the end of the day for students not going because of financial reasons. They have been represented here this morning. That is the central question. It was mentioned by the president of the UOIT student body, and most of the articles in the media cover that whole thing. We understand that this tuition freeze was a temporary thing, but the exit strategy really comes down to Mr. Marchese's question on regulation or deregulation of tuition fees.

We did get into that. You said earlier that there were no prior studies. One of the best studies you should have a look at is the Smith report, done by the past president of Queen's University. It's an excellent report. It should be looked at in terms of the ongoing commentary. What we really believed, I think, in a philosophical sense, was that those undergrad and grad programs that ended up with disproportionately higher incomes would certainly fall into the deregulated category.

I would say to you that I have five children, all university—and a couple have post-graduate studies. I have two uncles with Ph.Ds. One was a math prof here at U of T—very exceptional. But today in my own family, there are three with Ph.Ds. Unbelievable. I don't mean minor; I mean microbiology and these sorts of very intense, technical degrees. We need more of that.

If you look at deregulation and at what the market needs, is there any relationship with deregulation strategy to deal with what they need for the market? If you need more people, I would regulate that and say, "OK, if you want to take this degree," and we need more pharmacists or whatever it is you need—bingo, I'd lower the tuition—not the standards, but the tuition—so accessibility is not an issue.

I've rambled on a bit in the 20 minutes that Cam has been so generous to give me. I think he's generous. I'm not sure he's happy about it, but—

Mr. Cameron Jackson: You're doing fine.

Mr. O'Toole: Yes. Those are a couple of things. We've all said that our joint and common prosperity will be dependent, in a knowledge-based economy, on an educated workforce from the three streams, which would be: field of work, hopefully skilled work, which would include apprenticeship and transition; the college, which is work-ready and can be dovetailed into additional university through credit transfers; and of course university and post-graduate studies in some area.

I think we're all into lifelong learning. Quite technically, it's here. It's not something that's going to happen; it's here. In fact, when I'm finished here, in probably another 10 years—that's what I figure—I'd like to go to law school. I didn't finish my master's degree, but I'd like to go to law school, because you've done so well, obviously. The road not taken, you know. I meant, as a lawyer; as a minister, I don't know. The ruling's not out.

Interjections.

Mr. O'Toole: No, I'm very much an advocate type in terms of people's needs. Our job as MPPs really is to be

the door to government, regardless of ideology and, as such, to know what resources and solutions are there and what decisions have to be made by government. It's when you get into trying legislation, what's in regulation, what can be amended, what's within the power of the civil service to change without, as Cam mentioned this morning, legislative change—if you're going to build in accountability, like we did in elementary and secondary school—they have no room to move. It's all enrolment-based. If you have declining enrolment, you have a serious problem here. Otherwise, you don't need these directors making \$250,000 a year. Do you understand? If they're not making the decisions, let's get somebody who will, whether it's the ministry or the associations of professional teachers.

My wife's a teacher, so I'm very much a supporter of public education, and very much more supportive of the parents' role in education being bumped right up. All of these roles take a family. It takes a family and a community to raise a child, and this continues.

When they're actually paying tuition, as you said earlier, I think it's a good deal. The beauty of enriching your life through knowledge is just valuable. You can't place a dollar amount on that. If it's all based on an income, you should be directing yourself. You should get the 10 top career incomes and just track down the orthopaedic surgeon or the neurologist and get at it, at 15 or earlier. Without going on too much, the question I've asked is for some explanation of the student support, to bring some clarification to that. Thank you, Minister.

1250

Hon. Mr. Bentley: Thank you for the comments that you've made and the suggestions you've provided, particularly in reference to Durham and UOIT. They're fine institutions. I've had the opportunity to speak with Mr. Polonsky. I've not yet been out there, but I look forward to doing so.

Mr. O'Toole: Give me a call. I'd like to attend with you.

Hon. Mr. Bentley: That would be wonderful.

With respect to student support, let me zero in on your specific question. You asked about the change in estimates from the 2004-05 estimates of \$102 million. I'm looking at page 40, which gives a little bit further breakdown. It's not broken down between colleges and universities or private career colleges there. It's obviously based on the number of students who apply and where they happen to be going.

We're very pleased to have announced this year some of the most significant enhancements to student support in 25 years. I've outlined those before. We have more to do. There is a substantial investment in financial assistance in the budget. I think that some of the suggestions you make are helpful, and we'll certainly consider those as we march to improve a student financial assistance system.

To the specific question, no, it's not broken down. We don't allocate student financial support by institution; it's

by the student. That's what we expect the increased expenditure for the enhancements this year to be.

The Vice-Chair: Very good. With that, normally the rotation would go to the NDP, but Mr. Marchese is not here. With the indulgence of the committee, I would refer the next question to the government side.

Hon. Mr. Bentley: Can I add something for you? You might find this helpful.

The Vice-Chair: Certainly, yes. Absolutely.

Hon. Mr. Bentley: This is not the breakdown for this year, but for 2004-05, some 55% of the OSAP went to university-bound students, 32% to college-bound students, 5.6% to private career colleges, and then 7.4% to what's called the basket of "other"—that's out-of-province and others in Ontario such as agricultural colleges and the like. I don't know if that's helpful, but I thought I'd—

The Vice-Chair: That's very helpful. I appreciate that very much. With that, Mr. Kular.

Mr. Kuldip Kular (Bramalea-Gore-Malton-Springdale): Minister, I want to join my colleagues in congratulating you on your appointment as Minister of Training, Colleges and Universities.

As you know, I'm an internationally trained medical doctor. When I came to this country in 1974, it was very hard for an internationally trained medical doctor to get a residency position to further train in their area of the profession. But from what I have seen over the last couple of years, the McGuinty government has done a lot to help internationally trained physicians get into their own areas of the profession.

A lot of my constituents who are not physicians but who have come to Canada as new Canadians are internationally trained professionals, whether they are pharmacists, nurses or engineers. The question I have for you is, what is your Ministry of Training, Colleges and Universities doing to further assist them in getting into their professions?

Hon. Mr. Bentley: Thank you very much for the question. It really strikes to the heart of the experience of so many in the province of Ontario. As you know, a lot has been done over the past 18 months—about 20 months now. We're determined to do even more to ensure that the province is accessible to all people in Ontario, not least those who come from out of the province.

The most recent action by the Premier to ensure that we could take the next step in terms of accessibility is that the specific responsibility for foreign-trained professionals and individuals would be transferred to the Ministry of Citizenship and Immigration, and in the course of the budget there were some enhancements provided to those program areas. The reason for the transfer was specifically to ensure that that area obtained not only the enhanced focus that it has been provided since we formed the government but even greater focus. Minister Colle is responsible for those program areas now and will have the opportunity to devote a substantial portion of his responsibility to ensuring that we take the next step.

One of the steps that we have already, since becoming the government—and I know you have had a huge amount to do with this, having been part of the Ministry of Citizenship and Immigration as the parliamentary assistant for some period of time and having worked, I know, very closely with the minister, my predecessor, with the Premier, and with others on the full accreditation and integration of all people with ability, not the least of whom are foreign-trained professionals.

What have we done so far? In the area of foreign-trained physicians, as you know, both the assessment process and the accreditation enhancement process have had increased attention and focus, and actually they've been able to assess and now train far more graduates. We've more than doubled the number of spaces, through the efforts of the IMG process, from 90 to 200. To ensure that foreign-trained physicians who are assessed and are found to need a little bit of extra training for whatever reason, they have the opportunity to get that quickly, because in the province of Ontario we need access to these skills.

The province of Ontario has always had as one of its founding themes that you come to Ontario with your ability and you get to use your ability to then develop as an individual to the extent that you wish or desire to, not bounded by any artificial limitations. So in the foreign-trained physician area we've made those enhancements.

We started a number of bridge training programs. I know you've been involved in a number of different capacities, not the least of which is your excellent advice in identifying areas where we need to make improvements and enhancements and in helping to develop those bridge training programs. So in engineering areas and some health areas, we've developed some additional bridge training programs so that people in some of the health disciplines, for example, who have foreign credentials, are able to come here, get assessed quickly and get to work much faster than was possible before.

There are still quite a number of barriers. As a result of that, a report was commissioned and has reported in. The report was commissioned to determine how we could bring all the professional bodies to the table to get their best advice on removing further barriers in terms of the accreditation of foreign-trained professionals.

As you know, many professions, such as mine—law—are independently regulated. The Law Society of Upper Canada independently regulates law. We want the regulatory bodies to make sure that they enforce the appropriate standards and other measures. We don't want them to be a barrier to foreign-trained professionals accessing their profession in Ontario, so this report was commissioned to see what barriers existed and how to eliminate them as quickly as possible. I know that Minister Colle will be energetically working on the results of that.

I think we can celebrate the improvements that have been made over the past 18 to 20 months. There's more to do. With the great advice of all, particularly you, who has been such a strong advocate of this, I think we'll be

able to make the type of progress we'd all like to make so that it will no longer be said in the future that there is any barrier to a foreign-trained professional coming over and practising in Ontario as long as they have the appropriate level of skills that we demand of those trained in this province.

So, lots done, lots still to do, and a program to do it. Minister Colle, I'm sure, will be anxious to speak to the details.

1300

Mr. Kular: Minister, I really want to thank you on behalf of the internationally trained professionals for what you are doing for all of them.

The other area is that three of my four children are just finishing university at the University of Waterloo. They were in a co-op program, and the Ministry of Training, Universities and Colleges is providing a lot of help for these students. The best investment the McGuinty government has made is in post-secondary education. In my riding of Bramlea-Gore-Malton-Springdale, there are some youth who are at risk, and I was pleased to see that very recently you introduced five programs for at-risk youth so that they can have pre-apprenticeship programs. I definitely feel that will help give options in life for youth at risk, or not at risk. It will help them to realize their dreams and their missions. The question I have is, can you tell me how these programs are going to work? At the same time, I was wondering what the province is doing generally to make it easier for all the youth in Ontario, whether they are at risk or not. I think it will also help them to make the right career choices. Could you comment on that, please?

Hon. Mr. Bentley: I did have the opportunity just a couple of weeks ago to attend an event in Scarborough at a resource centre to make an announcement that we're expanding opportunities, in particular for youth at risk, opportunities they wouldn't otherwise have had, to enable them to enter a program which can upgrade their academic skills, to provide some skills in terms of employment, to provide some work preparation skills and to get a placement. It's the type of co-op placement that your family has had the benefit of, so that they can experience first-hand what working in a particular trade is. Through these programs, which vary in length of time, they can become ready for either a pre-apprenticeship or an apprenticeship program. They are really remarkable springboards for people who wouldn't otherwise have had an opportunity.

For example, I heard from a young person who benefited from the program last year, a program set up by the carpenters. He spoke very eloquently. In fact, the room was silent when he spoke—a room full of providers of assistance for people, young and old, who have worked on the front lines, who have seen the struggles of many young people, who have realized the hope and opportunity they have for the future and the ability young people have if only given the chance. This room was silent while this young man spoke about the struggles he'd had in life, about the opportunity he'd been given

that he never expected; how he'd taken that opportunity and made the most of it and was now involved in a regular apprenticeship program with the carpenters. It was a very moving experience to stand there and listen to what he had to say. It confirmed for me, if any confirmation was necessary, how important these programs are and what an enormous difference support programs can make if they're available and if people are given the opportunity, because the goal in life is to find the opportunity so that a person's ability can come out. These programs are absolutely fabulous. There were five of them that I announced: one for brick and stone masons, two for construction craft workers, one for cook-assistants and one for general carpenters. They provided opportunities for a total of 100 young people—just five for 100 people who might otherwise have been at risk—to have a future they might not otherwise have imagined.

This is but one piece of a very big picture. We are absolutely determined as a government to provide opportunities that haven't heretofore been available to people, young and old. The Learning to 18 initiative that my colleague Minister Kennedy is involved in is all about not giving up on people. We refuse to give up on people. We know there is ability and skill in everybody, and the challenge for us is in providing that ability with the means to come out and flourish.

The Ontario youth apprenticeship program, OYAP, the pre-apprenticeship programs that we have, the apprenticeship support programs through colleges, are all some examples of how we are providing opportunities particularly for young people to take that positive leap at a much more advanced level. Many of the co-op programs at the University of Waterloo provide individuals who are involved in very intense, very rigorous university degrees with the opportunity to actually apply their knowledge in the work setting. It can strengthen and enhance the value of a university education.

In the same way, co-op placements, whether they're through youth apprenticeship programs or this youth-at-risk pre-apprenticeship project, allow individuals who might not learn as well as others in the classroom or in a more formal setting to experience what work is like in a particular trade, benefit from that and form a connection with some employers, with some good influences out there.

I look forward to working with Minister Kennedy and with you in developing further opportunities for young people to experience these programs and to springboard on to some very positive work experiences.

The Vice-Chair: We'll move to the NDP through the rotation. You have 20 minutes.

Mr. Marchese: I want to continue with the questions connected to student debt and I want to re-ask the same question I asked you in the last few seconds that we had in our exchange. The question I had asked you was, do you know whether student debt burden leads to students delaying normal life stages such as marriage? It's a serious question for me and, I suspect, for many people who think about this. My suspicion is that you haven't

researched that, but have you thought about that in terms of the social implications it has on a generation of people?

Hon. Mr. Bentley: I think debt is obviously not a good thing, in most cases. I can't think of any offhand where it would be a good net benefit. The question in post-secondary education is how to provide the most opportunities for the people of Ontario to access the skills and training in post-secondary institutions, how to ensure access to the greatest number of people and how to ensure it in a fair and reasonable way so that people are not unduly burdened with debt, so that people aren't denied the opportunity to access high-quality post-secondary institutions. It is a very important question. It has many aspects; you've raised some of them this morning and again this afternoon. It's important for us to keep all of those issues in mind as we develop the appropriate approach for the future, which I think will be based on increasing the spaces, increasing assistance—

Mr. Marchese: Yes, I've got it.

Hon. Mr. Bentley:—keeping in mind these issues.

Mr. Marchese: I have that. OK. Here's another question: Do you know whether a high debt burden forces young people to delay having children? Are you concerned about that? Does it have any social implications?

Hon. Mr. Bentley: It's an interesting question. I wouldn't tell you that I have studied that specific question. I do know that it is a general observation I have heard and read about that many people, not only in Canada but in the States and Europe, are in fact delaying having children for a number of different reasons, but I wouldn't presume to be the social demographer on that one. It would be interesting on this—and I suspect the other issues you're going to raise—to find out what the research shows, what the issues are, whether they are particular to students in post-secondary institutions or more generally felt across society, and figure out how those factors affect developing an access agenda, of which tuition is a part—but only part—to improve access and quality.

1310

Mr. Marchese: My sense is that we don't have a minister who addresses these kinds of issues, and I think it's sad, because the effect of all these problems such as high debt is leading to the questions I'm challenging you with, and unfortunately nobody's thinking about it. I think you should, as the minister directly connected to this, but I'm saddened that nobody is thinking about that particular problem.

I generally believe that high debt forces students to make that difficult choice of asking, "Can we afford to get married and, if so, when?" I have no doubt that marriage between couples is being delayed for economic reasons. Not only is marriage being delayed and it's affecting how many children they have, but I also believe that high debt forces students to decide that, instead of three children, they might have two, or instead of two, they might have one. Given that we have such a low birth rate in Canada—and it's worse in some other countries

like Italy, for sure—are we not concerned about it, through the policy changes that we would make that could help to deal with that problem? I'm sure you are interested, as I am, in making sure that we do have a child birth rate that is higher than it is at the present moment, but we're doing very little to encourage that. What I'm suggesting is that high student debt is encouraging young people who get married to have fewer and fewer children.

Hon. Mr. Bentley: Thank you for that. I am very concerned about debt. If I was misunderstood, that's unfortunate. I'm very concerned about student debt generally and as it relates to access in particular. That is precisely why we have made the most significant improvements to the financial assistance landscape in 25 years. We reinstituted the access grants precisely so that students who otherwise would find it very difficult to go to post-secondary institutions, if they could even consider it, would be able to have access, so they wouldn't accumulate the debt that they'd otherwise have to pay for the \$6,000 first-year tuition and the \$3,000 for second-year students.

That's also why we have improved interest relief and maintained the Ontario student opportunities grant at \$7,000, even though we increased access to assistance for students. All of these and other measures are designed to reduce the burden of debt where it's going to affect access. As we continue to make improvements with the \$1.5-billion investment, I think we'll be able to do more to address debt, which will have whatever spillover benefits—the research that you might be alluding to would—

Mr. Marchese: Thank you for the repetition of those things.

I know that the high debt that students are incurring, beyond those poorest of students who are going to get some grant, will create difficult choices in terms of their ability to afford to buy a house, for example. It will not just delay marriage or not having children or only having one instead of two, but it will also complicate their economic choices around their ability to buy a house. Have you thought about that particular issue and how that might affect the economic health of the province?

Hon. Mr. Bentley: I think that as we address the access and the opportunities issue, what we all recognize, as I outlined at the beginning, is that those who are able to access post-secondary education are earning \$14,000 a year on average more than those who either cannot or do not access that opportunity. Our determination is to ensure that people are aware of what post-secondary education presents and that they have the opportunity to do so and are not prevented from doing so by financial barriers.

That does mean, of course, when you talk about access, you can talk about any price you like, but if there aren't spaces and if the spaces are not at high-quality educational institutions, then access really is a meaningful conversation at any price. What we're determined to do is increase access. Financial issues are part of that equation—a very important part—but we have to have

the spaces at high-quality institutions with no financial barriers in order to ensure that students benefit financially, as well as in other ways, from post-secondary education.

Mr. Marchese: That was great; thank you. In terms of issues of access and opportunities, my daughter said to me a couple of years ago when I talked about tuition fees for entering law or medicine—you know that entering law here at U of T is about \$17,000 or \$18,000. God bless the university. People like you love it, and it's great to see that. I also mentioned to my daughter that to enter medicine would be about \$14,000 or \$15,000, depending on the institution. At that time, a couple of years ago, she was interested in medicine. She no longer is, but, "If I were," she said, "and I had to pay that kind of money to get into that program, I would never get into that program, because of the high cost of tuition fees."

Have you studied that? Is your ministry studying that? Have you guys thought about it? Does it mean anything to you, or are you going to talk to me about opportunities, spaces and access again?

Hon. Mr. Bentley: Thank you very much for the specific reference to medicine. We have already outlined that we're going to have a separate discussion with respect to access to medical school, a separate discussion which will involve separate considerations of any barriers that exist, including, particularly, financial barriers. So that is separate from a tuition framework that we're talking about. We haven't started that yet, but we will be having it.

Mr. Marchese: Because you are considering something about medicine, let's just say that it was law, and the fees are \$17,000 to \$18,000 for just tuition, and that my daughter was interested in law. She says, "If I had to pay that kind of money, I would never get in." What do you think about that? What do we do?

Hon. Mr. Bentley: I think one of the things that we're looking at in the discussions about the tuition framework is where the barriers are. Do the barriers to access exist? What are the costs of different programs? Obviously, some programs are much more costly than others.

There's a joint benefit whenever you go to access a program in post-secondary institutions. Part of it is a societal benefit, and part of it is a personal benefit. So if you graduate from a law school and you're able to attend an articling and subsequently a full-time regular position as a lawyer with the firm and are earning a significant salary, maybe that is a factor that should be considered as well in the appropriateness of the types of fees that are presented or that have to be paid.

All of these issues are on the table in terms of the discussion about access in the context of the tuition framework. I think we have to consider all of the issues and come up with the best possible. Students accessing law school will come from many different economic backgrounds. The question is to ensure that all students, regardless of their economic background—

Mr. Marchese: I hear that all the time. Yes, I understand that.

Hon. Mr. Bentley: —can get in on the basis of—

Mr. Marchese: My daughter's a middle-class child, with incomes from both parents, not some kid whose family only earns \$33,000. I'm asking you how you help someone like that, whose choices have been taken away. My daughter says, "It wouldn't be a choice. I wouldn't get into that program."

Hon. Mr. Bentley: Well, I hope your daughter didn't shy away from law for that reason. I think that's one of the issues. That's why we're having this conversation—a conversation that really hasn't been had in the same way over the past number of years when tuition issues have arisen. That's why we're having it: to make sure that we can give access to people who weren't at the table before.

I would say very directly that we're at the table with the students and the institutions. You know, in the early 1990s or at other times, students weren't there.

Mr. Marchese: That's great. I'm glad they're there, and I'm glad you guys have close contact with others. You talk to them and they talk to you, and there's no misunderstanding. It's great to see that.

Can I move on to the federal funding issue? Amendments to the federal budget under Bill C-48 could secure new post-secondary education funding aimed to bolster provinces' efforts at training or, God forbid, tuition reduction. Are you in contact with your federal counterparts to find out when this money is flowing?

Hon. Mr. Bentley: As you will recall, the amendments which would provide for additional funding were amendments that were contingent on a number of different conditions occurring. We don't know whether those conditions have been deemed to have been met, and we haven't been advised, to my knowledge at least, when that money will be flowing.

I have been asked on a number of different occasions what the government of Ontario would do with the money. What you have to remember is that when you invest it, you want to get the biggest bang for the buck. If you invest it, for example—

Mr. Marchese: Let me get to the questions, because I've got questions that lead to those answers.

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Hon. Mr. Bentley: Excellent.

Mr. Marchese: I am convinced that a whole lot of people just want to know where we are with these negotiations. The Canadian Federation of Students, of course, in our discussions with them, is very keen on this. I'm very keen on this. I would have thought you would have been very keen on this particular issue because, as you know, you guys are going constantly to the federal government, pleading, begging, genuflecting, to say, "We need money; you guys owe us \$20 billion," that this would be part of a serious discussion, that you would be there saying, "When is this money going to flow?" When you say to me, "We haven't been advised," what it suggests is you're not actively involved; you're simply waiting for them to advise you. Is that the case?

Hon. Mr. Bentley: It's not the case at all, of course. There has been quite a number of discussions between

this government and the federal government. In fact, the Premier has been outspoken in standing up for the position and the rights of all Ontarians to ensure that we receive the proper degree of investment in our infrastructure and programs that we should receive. That was the subject of a number of different discussions this past May, and I know that various members of the government are very active in their day-to-day discussions with respect to the various programs in the federal government. They are probably the best ones to speak to those details.

As far as I am aware, I don't know when we're going to receive the funding from the various initiatives the federal government took in the spring with respect to the increased funding for universities. I haven't been advised on when that's going to come.

Mr. Marchese: Why don't you insist on knowing? Why don't you call them and say, "We want to know. We need to know today, not next year, after the election"?"

Hon. Mr. Bentley: The government of Ontario is having ongoing discussions with the federal government about a number of issues. This happens to be one. At the Council of the Federation, for example, in August, it was determined that there would be two conferences. I am in fact leaving for one at some point in the next day or so.

Premier McGuinty and Premier Charest will be present in Quebec City with the finance ministers, ministers of education and labour market ministers to talk specifically about post-secondary education. The focus for the provinces and territories is on post-secondary education. That will be followed up by a summit that the Premier is hosting in Ottawa on post-secondary education and training issues.

Obviously, the question of the federal government's participation in post-secondary education investment is high on the agenda. It's probably number one on the agenda, because we put our money on the table, and the question will be, not simply when the federal investment outlined in various initiatives in the spring is obtained but to what extent the opportunities that are presented by post-secondary education should be funded and by whom. We will be looking, as the Premier said, on a number of different occasions to our federal partners to provide—

Mr. Marchese: Minister, thank you. I'm glad to hear it's number one on your agenda, and I'm glad of the fact that your members are very active and your Premier is very active. It's number one on his agenda. You haven't been advised of when this money is going to flow. I'm glad you're actively involved to know nothing about this file.

OK. Provided that the budget that passes in this legislative session—

Hon. Mr. Bentley: I reject the characterization.

Mr. Marchese: I know you do. Of course you do.

Hon. Mr. Bentley: Come on.

Mr. Marchese: Here's the next question: How much does Ontario stand to gain from this agreement between the NDP and the Liberals at the federal level?

Hon. Mr. Bentley: I've been constantly asked how I would spend \$600 million.

Mr. Marchese: Six hundred million, right? Is that what you just said?

Hon. Mr. Bentley: That's the rough figure that I would anticipate.

Mr. Marchese: Have you heard about, if it indeed will flow, at whatever point it will flow, based on the agreement between Jack Layton and Martin, how that money would be disbursed?

Hon. Mr. Bentley: I did remember reading just a couple of months ago a discussion between the NDP and the federal government, where the NDP thought that the money was going to flow immediately and the federal government indicated that it wasn't going to flow immediately. It's very difficult to spend money. In fact, you shouldn't spend money before you actually have it. I'm invited constantly to spend whatever money flows as a result of that agreement. My position is, we're going to implement the Reaching Higher plan, because that's money we know about. If and when the money from that agreement becomes available, then we can assess our priorities on an ongoing basis and make sure that that money is used to the best effect.

Mr. Marchese: It makes sense to your members on the other side; it doesn't make sense to me. We're talking about \$600 million through an agreement that was arrived at by Jack Layton and Mr. Martin. I would have thought you would be pushing for the federal government to disburse it quickly and that you would want students throughout Ontario to benefit right away through the increased access that they would get. Why would you not have a plan in place to deal with these funds? You're saying, "We don't have the money, so therefore we are not making any plans." You're not planning at all, or you're not expecting any money? Or are you saying, "No, we're not even thinking about it and we're not doing anything about it until we get it"?"

Hon. Mr. Bentley: I'm a little bit surprised that you wouldn't simply phone Jack Layton up and find out what agreement he had with the federal government as to when the money was flowing. He was right there and made the agreement and voted in favour.

Our position is that we're determined to ensure that the federal government fully and completely funds post-secondary education.

Mr. Marchese: Minister, thank you. I just want—

Hon. Mr. Bentley: That's why I'm going to the conference some time soon, and in Ottawa—

Mr. Marchese: I only have about 30 seconds and I wanted to ask you this last point. I'm in contact with Jack Layton. They're the fourth party in terms of numbers. I would have thought you would have a better connection with your Liberal counterpart and the Prime Minister.

Hon. Mr. Bentley: I have already told you the government has been in touch—

Mr. Marchese: You said to me, as an opposition guy, "Why don't you call Jack to find out?"

Hon. Mr. Bentley: I've already told you the government is in constant touch.

Mr. Marchese: Martin is the Prime Minister, you're a minister with a Liberal government, and you're saying, "We're actively involved and we know nothing."

Hon. Mr. Bentley: I've already told you, the government has been in constant touch with the federal government.

Mr. Marchese: And you know nothing.

Hon. Mr. Bentley: But I have not got a schedule on when the \$600 million will flow in here with the agreement.

Mr. Marchese: And you feel good about that?

Hon. Mr. Bentley: That is contingent money and we don't know the conditions.

The Acting Chair (Mr. Wayne Arthurs): Minister, your time has elapsed on this round. If you could hold those thoughts for a subsequent round, the floor now goes to the official opposition.

Mr. Cameron Jackson: Mr. French, perhaps you can help me understand. Could you show me in these estimates where the federal transfers of dollars occur?

Hon. Mr. Bentley: Which transfers are you referring to?

Mr. Cameron Jackson: The federal government transfers to the province for post-secondary education. Could you help direct me to the estimates? I have a hard time pinpointing them. Do you have a finance person here? Kevin?

Hon. Mr. Bentley: That money might come in in a number of different ways. For example, the OSAP program receives—

Mr. Cameron Jackson: I'm looking for a specific line on a specific page. Generally in estimates, the revenue stream clearly identifies—

Hon. Mr. Bentley: We have—

Mr. Cameron Jackson: Could you please identify yourself for the record?

Ms. Carol Lawson: Carol Lawson, director of planning and expenditure management branch. The monies from the federal government come into the consolidated revenue fund and go out through the college operating grants and the university operating grants.

Mr. Cameron Jackson: Let me rephrase my question so you understand it. Where in the estimates book can I see that number?

Ms. Lawson: You cannot see—that number is imbedded within the college operating grant line.

Mr. Cameron Jackson: Thank you. Can you give us the breakout of that number so that we can determine the amount of money which is coming from the federal transfer and that which is coming from consolidated revenue as provincial dollars?

Ms. Lawson: I do not have that number.

Hon. Mr. Bentley: It's Canada social transfer money and it's not specifically broken out.

Mr. Cameron Jackson: Minister, how is it then that we can hold the federal government accountable for the amount of monies they provide for post-secondary education, colleges, universities, apprenticeship training or tuition support? How are we able to track that, whether

we know we're getting our fair share from the federal government? Do you personally, as the minister, have a handle on those numbers?

Hon. Mr. Bentley: Part of the work that's going on right now between all the provincial and territorial ministers and their various staff is to take a look at issues such as the Canada social transfer, compare it to where it was a decade or more ago, and figure out what it applied to then, what it applies to now and what it should be.

Part of the reason it's been challenging getting into this discussion is that, as you know, the Canada social transfer has been changed over the years for different reasons. So what we are doing is not simply trying to follow a flow of money but looking at the post-secondary education and skills agenda and figuring out who should be at the table and to what extent they should be at the table.

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Mr. Cameron Jackson: Fair enough. Having sat on Management Board, there would be a discussion about the Canada transfers in terms of where they're earmarked, because that's the way in which the feds transfer them. They're transferred by commitments, via a series of agreements that fall underneath the overall agreement. That's how it's constructed. So you're saying that currently, the Treasurer and Management Board don't have an accurate handle on the breakdown of those costs from the federal government. Otherwise, you would be in a position to—

Hon. Mr. Bentley: No, I'm not saying that at all.

Mr. Cameron Jackson: Well, I asked if you were aware of them. Does Management Board have them but they don't give them to you?

Hon. Mr. Bentley: What I don't have is the breakout by the line in the estimates item as to what might have come in through the Canada social transfer. What I do have in front of me is something from the public accounts, 2004-05, under "Government of Canada," certain investments and expenditures in a number of different line items totalling \$104 million for things such as official languages in education, college initiatives, special agreement, post-secondary disability funding, Canadian millennium scholarship administrative fees and the like.

Mr. Cameron Jackson: You'll be able to table that with the committee?

Hon. Mr. Bentley: We'll get a copy of that.

Mr. Cameron Jackson: So, in your opinion—ballpark—what kind of dollars are we getting from the feds as you jump on a plane to Quebec City to discuss this?

Hon. Mr. Bentley: That's one of the challenges. When the money comes in through the Canada social transfer and is re-designated in a number of different ways, one of the challenges is to actually reach the determination of what they are investing. And the more important question is what they should be investing. That's the real challenge. It's not simply a question of going back to where they were, because post-secondary today, as you know, is much different than post-secondary might have been 10 years ago. The question is, what are

the costs and opportunities today, who's going to fund them, and who has the ability to put more money on the table?

Mr. Cameron Jackson: That's a fair question for Quebec City. The fair question for today is whether or not our government understands fully where this money is coming from and what the federal government assumes it's going toward, and that's what I was trying to get a better handle on. It strikes me, as a former minister who has had to negotiate federal-provincial agreements, that we generally go to the table knowing whether or not we're getting our fair share relative to other provinces, or we're getting our fair share relative to what the federal government has stated.

I'm not going to pursue Mr. Marchese's line of questioning because we have a fragile minority government federally and I think you have to be cautious about spending money you don't have yet, even though they've promised it. That contrasts rather dramatically with the situation you found yourself in when you formed the government two years ago, when the federal government was a majority government and it had clearly indicated that Ontario was going to get an additional \$1.2 billion in transfers for health, which your paid private consultant insisted he didn't have to account for when he calculated what the projected deficit might be for Ontario if the government changed. So there is a clear distinction between monies that have been legislated to be transferred and monies that are still sitting out there in the ether as an election promise.

I don't want you to respond to that; I just want to put forward my understanding of the issue and relieve you of the notion that you have to have all that money planned for and accounted for, because if there's a change in the federal government, there's no guarantee we're going to get it.

Having said that, I want to talk about the dollars that we're guaranteed of getting right now. I'm a little concerned that we don't have that tied down to the same degree.

Hon. Mr. Bentley: Can I just help you with that in 30 seconds—or I'll wait for your question. I was going to give you a 30-second answer.

Mr. Cameron Jackson: That would be fine.

Hon. Mr. Bentley: I'll hold it to a 30-second answer. As you know through your experience, the Canada social transfer isn't specifically designated into parts. It goes into consolidated revenue and then the government of the day decides how much is going to be spent. It was out of that consolidated revenue that we came up with the \$6.2 billion extra.

That was 20 seconds.

Mr. Cameron Jackson: I want to say that one of my requests for information will be to go back and look at the federal transfers to Ontario, to the best of your ability, to determine what dollars you believe your ministry was allocated, year over year. There was a—

Hon. Mr. Bentley: We don't have that. That analysis isn't done. Your government didn't do that analysis either, to my knowledge.

Mr. Cameron Jackson: We were in the process of negotiating with the government as well in terms of the Canada health transfers, and we were successful in obtaining additional health dollars. It was the severe cuts that occurred two governments ago to the overall budget which negatively impacted on colleges and universities. It strikes me that it would appear that governments have been in a position provincially to say that the Canada transfers have been cut back, and therefore we're not going to make health pay; we will chisel away and lessen or lean out the dollars that are going to post-secondary education. This is something that was done in most provinces. In fact, most provinces hemorrhaged much harder than Ontario did, even though we hemorrhaged in the billions of dollars in terms of these cuts to our federal transfers for health care. But colleges and universities suffered as a result of those cuts. We are ramping back at a snail's pace. Perhaps we'll have to put this as a question to Management Board, which would probably have a better handle on that. So I will lift the question at the moment and try and attempt that as an order paper question.

I really think, for you to go to Quebec City to argue our case—yes, you were trying to put it into a framework and hold the government accountable federally, but the college system, the university system and the student unions are all of a united mind that until we can get some clarity on these transfers, we're not going to be able to hold the federal government accountable for the transfers that each of the provinces is providing.

I'm going to ask you a very specific question about one of these one-off MOUs between your ministry and the federal government. This question comes from Scott Courtice, who is with the Ontario Undergraduate Student Alliance. He's been in the paper recently with this question:

"International students are not allowed to work off-campus, but on-campus only." That was a concession that was just won for them not too long ago. I know we participated in making that decision. "Their costs are very high and they need to offset them by working wherever they can find work. Beyond offsetting costs, allowing international students to work off-campus will help integrate them into Canadian society, and increase the likelihood that they will stay in Canada after graduation. The federal government announced in April they would begin negotiating a 'memorandum of understanding' with provinces to allow international students to seek work off-campus. On June 14, then-TCU minister Mary Anne Chambers—"your predecessor—"sent a memo to stakeholders indicating negotiations had begun and that Ontario would aim to have the MOU in place by the beginning of the academic year." To our knowledge, that remains unsigned.

Could you give us a brief update on where you are with that and if you are going to be raising that with the ministers in Quebec City?

Hon. Mr. Bentley: The federal minister won't be there in Quebec City, so I won't be raising that particular

issue. But that's OK; that issue is constantly being raised, I can tell you, every minute of the day, with the federal government, because it's part of the broader immigration agreement that we've been working very hard to have implemented so that Ontarians actually receive their fair share of federal immigration settlement funding for all those who come to Ontario. It's part of the ongoing discussions we have with the federal government.

I think you're quite right: I won't be able to answer the specific questions you ask with respect to the Canada social transfer breakup, but you're going to defer those, as I understand, to Management Board.

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One of the main points of Quebec City is to continue the focus, the determination of our government, to improve post-secondary education and skills training. We know that people need to come to the table not only with ideas but resources. The Ontario government is at the table with resources very substantially. So the question is how to get the feds there. Some will be talking about specific amounts of money; others will talk about baskets of opportunities. I'm going to be talking a lot about opportunities that exist and then how to fund the opportunities.

Mr. Cameron Jackson: And I support you in that endeavour, Minister, but we need to disentangle this monolithic Canada health transfer fund, which is not serving post-secondary education in its current form. Whether past governments have failed to nail this fog to the wall isn't the issue; the issue is, in order for us to ensure that the federal transfers do not fluctuate at the whim of the federal government and that there's some sort of consistency to honour the commitments in the spirit of the Canada health transfers, that we somehow have some kind of pan-Canadian strategy on post-secondary education. I would hope that not only are we going to look at areas in which we can endeavour to secure additional resources; we need an accountability framework—the same one we are asking our colleges and universities and our apprenticeship training infrastructure to accommodate, we should be demanding of the federal government in order that we can track it.

We were gutted by the federal Liberal budget cuts by Treasurer Paul Martin in 1995. They hurt us badly—and in post-secondary. It's fair to say that you have made a substantive commitment of a multi-year nature, but you will not be able to honour that commitment if the federal government doesn't (a) maintain or (b) enhance its out-year commitments. So there's a lot hanging on the importance of tying this down. When you're talking to the Premier, you might impress upon him—and I understand that you've got your back to the wall on health care, but by the same token, if we are going to position Ontario credibly and securely for the future, we're going to need this tie-down.

So let me ask you this: Do we have access to the agenda for which Quebec and Ontario are meeting to discuss these matters, given that the federal government isn't at the table? Are all provinces represented at this short conference in Quebec City?

Hon. Mr. Bentley: In Quebec City there are a couple of meetings going on. The Council of Education Ministers will be meeting—

Mr. Cameron Jackson: Right; post-secondary.

Hon. Mr. Bentley: Ministers of education, so it does include both. Some wear the same hat; some don't. They meet tomorrow. Then Premier Charest and Premier McGuinty will be meeting with the finance ministers and the education/labour market ministers on Thursday. They are not, as I understand—

Mr. Cameron Jackson: From each province.

Hon. Mr. Bentley: Yes. They are not, as I understand, open meetings. But they are to further the initiative the Premier has been leading, frankly. He's been speaking about post-secondary education and the needs of education generally—post-secondary education and skills training. That's why we had the Rae report, that's why we've had this substantial investment in the budget, and that's why he's been leading the charge to make sure Ontario gets its fair share. That's why it was an issue at the council—

Mr. Cameron Jackson: That's fine. I wish we could lead a charge knowing how much money we could count on from the federals—

Hon. Mr. Bentley: I'll just finish this. I think you make a very good point with respect to accountability and changing the approach that has historically been led. I would only join issue with you a little bit when the decisions made by the federal government were made and the consequences flowed to various provinces and on to municipalities through the provinces. Different provinces were then positioned in a different way to meet the challenges. Ontario prospered for a number of years—

Mr. Cameron Jackson: Minister, I don't need a history lesson, and you want to get out of here by 4 o'clock today. So let's move to the next question, please.

Hon. Mr. Bentley: We might not have gone the tax-cut route.

Mr. Cameron Jackson: Well, the federal government seems to have been quite comfortable with it.

Let me, in the brief time that I have left: Who on your team is responsible for developing the accountability framework in discussions for colleges and universities? Who is the staff person assigned to that?

Hon. Mr. Bentley: Ultimately, I'm responsible.

Mr. Cameron Jackson: I asked you which staffer you've assigned it to.

Hon. Mr. Bentley: We have a number of staff working on those issues in a collaborative fashion.

Mr. Cameron Jackson: This is really not a confrontational question, Minister. Listen, if you want 27 order paper questions next week, you're welcome to them. I don't think this is a state secret. You have someone working on the project. Rarely have I seen a minister afraid to tell us what his staff are doing.

Hon. Mr. Bentley: It's not that at all. I just want to know what the question is because I'm ultimately the one who has to answer for—

Mr. Cameron Jackson: I'll repeat it for the third time. The question is, which member of your staff is working on developing the accountability—

Hon. Mr. Bentley: There are quite a number. The one in charge—

Mr. Cameron Jackson: That's what my first question was: Who's in charge?

Hon. Mr. Bentley: The one in charge would be the deputy minister. We have an acting deputy who is in Quebec City right now. The ADM who would be in charge under that is Janet Mason, and she's sitting beside me.

Mr. Cameron Jackson: Thank you very much.

Having, with the previous government, worked on accountability agreements in the education system, and your government has assembled them for hospitals, can you tell this committee which areas of accountability, in your opinion, are problematic? Whether in the areas of fluctuating enrolment, faculty renewal, new technology or capital equipment, what areas of accountability are giving you cause for concern that require you to establish a framework agreement similar to the ones that your government did with hospitals or similar to the ones that we did with school boards?

Hon. Mr. Bentley: I'm not sure if—

The Vice-Chair: We've run out of time on this round. You could put that as a question that could be responded to in the next round, perhaps, on the government side.

With that, the Chair would recognize the third party.

Mr. Marchese: Minister, I'm just going to make a statement on the transfer payments, and then I have a question vis-à-vis Bill C-48. Transfer payments have plagued us for a long time, and it shows how much we are at the mercy of the federal government, in the same way that cities are at the mercy of provincial governments. In 1990, the Tories changed the rules, just at a time when we faced a recession. It used to be 50-50 shared programs in the area of social services. In 1990, Mulroney decided to change that. We got whacked seriously. We lost a whole lot of money that we could have used in that recessionary period to deal with our welfare payments, which went from \$1 billion to \$5 billion.

It's a real problem in terms of how you're able to control a government when it decides to change the rules, because we have no control. When M. Chrétien got elected in 1993, there was a lot of hope that all those things would change again, and they didn't; they got worse. In fact, under M. Chrétien, all of our transfer payments were further decimated in spite of the fact that our province was being wrecked and whacked by a recession. It was interesting to note that the Tories and the Liberals provincially used to say of the NDP, "You don't have a revenue problem; you have a spending problem."

I say that because, no sooner did the Conservative government get elected but they started whining about how little money they were getting from the federal government. When we tried to point out as seriously as we could that that's not what they used to say in opposition, they made fun of that as well. The Liberals used to

attack the Tories in the same way in opposition. When they got into government, they simply started whining about the fact that there was a \$21-billion shortage of money that we're paying into the federation and not getting back. You understand what I'm getting at.

We do get whacked by the federal government often, and while it is true that some of this money has started to flow in the last couple of years, it is not at the level that it ought to have been if both the Conservative government in 1990 and the Liberal government in 1993 had given us the support that we needed.

I offer that as commentary. I don't know if you want to respond briefly. I just wanted to make a statement. If it's a brief reply or comment you wanted to make: Please.

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Hon. Mr. Bentley: I'll await your question.

Mr. Marchese: I was interested to hear Mr. Jackson's reasoning, which is very much your reasoning, around Bill C-48 that would have the transfer of \$600 million to the province. Mr. Jackson is saying, like you, "Well, the money isn't legislated to be flowed; therefore there's not much we can do about it." That's what you said, pretty well. My point around what he's saying and the point you've made is that Mr. McGuinty has had no problems making an argument for receiving more federal support based on what we put into the Canadian federation, which is in the order of \$21 billion, he argues. He's not shy about that. He's not shy, you're not shy and most of you are not shy to say, "We need more support." There is no bill in the works federally that is contemplating giving you more of that \$21 billion, but we do have an agreement federally between the Liberals and the NDP that says you should be getting 600 million bucks.

As much as you say that McGuinty is a leader in this and it's the number one priority, and you're connected, I'm puzzled as to why you are not making this an issue, given that there's an agreement in place, and why publicly neither you nor the Premier is saying, "We need this \$600 million today, before an election gets called." If I'm puzzled, imagine what other people are thinking. I don't know what you're thinking, but I would prefer to see you out there in the trenches saying, "Where's the 600 million bucks?" But I haven't heard that. Why?

Hon. Mr. Bentley: Actually, discussions are going on between our government and the federal government on quite a number of issues, including investment in post-secondary education. It's not simply a means of achieving the outlines in the federal budget agreement; it's a means of achieving a much broader sustainable investment in a number of areas, including post-secondary education and skills training.

That's why the Council of the Federation in August highlighted it as an area. That's why there are meetings in Quebec City. That's why, frankly, there's going to be another summit in Ottawa. That's why the Premier has made a request of the federal government to put post-secondary education and skills training on the agenda at the federal, provincial and territorial meeting at the end of November. It's not a question of saying, "Oh, yeah;

\$600 million. Well, I guess that's it," and then we go away with one-time funding. It's a matter of ensuring that investment in post-secondary education meets the needs not simply of the system, not simply for today, but into the future.

Mr. Marchese: I understand.

Hon. Mr. Bentley: I'll add the time I didn't use up before in making a statement just here. All I'll say with respect to the \$600 million is, absolutely am I concerned. Any money that can flow, I want it. But what I won't do and what I don't have an interest in doing is engaging in a conversation about how to spend something that I don't yet have, and I've been invited to.

Mr. Marchese: These are the questions I'm going to ask you. These are the questions that are coming. The point I was making is that you're not raising a fuss about not getting the \$600 million.

Hon. Mr. Bentley: We are. We're raising a big fuss.

Mr. Marchese: Oh, yes, I'm hearing it all over.

Hon. Mr. Bentley: Sometimes negotiations aren't best played out on the front page.

Mr. Marchese: Here's my problem. This \$600 million is in the works based on an agreement, and you're saying, "Well, it should be part of a broader discussion." There's an election coming. This \$600 million that has been agreed to could be lost after the next election, because we don't know what's going to happen. You're saying, "We're putting off something that we can get today on the basis that we've got a broader agenda," and I'm saying to you if that there's an election, we don't know what's going to happen.

Hon. Mr. Bentley: We're clearly not saying that. At no time have I ever said that. As you know, the agreement itself, the one that was negotiated, has a number of contingent requirements.

Mr. Marchese: Yes, and I want to get to that. Let me ask you this—

Hon. Mr. Bentley: We're asking constantly for the federal government to invest in post-secondary education and skills training in the province of Ontario.

Mr. Marchese: Yes, that I know. My questions are very specific, Minister.

Hon. Mr. Bentley: To suggest that I have no interest is simply not the case. We have a very determined—

The Vice-Chair: One at a time, please.

Mr. Marchese: My question has been answered.

The Vice-Chair: Are you satisfied with the answer?

Mr. Marchese: I'm very satisfied with the answer.

I have tabled a motion to ensure that, once the provincial government receives Bill C-48 funds, once it receives it, whenever it receives it, they would be used for the intended purpose. The motion I've put forward reflects the agreement, and I want to know whether you will do that. So let me ask you: If you do get the money, whenever you get the money, will you use it to reduce tuition fees for all post-secondary education programs?

Hon. Mr. Bentley: The two-part answer is that, first of all, we haven't decided how we will use the money, if and when it comes. Secondly, as you would know, in-

vesting a fixed one-time amount to either freeze or reduce tuition fees only takes you for a very limited period of time. So it might be the purpose of your bill to invest in a one-time or two- or three-year freeze for a number of students—

Mr. Marchese: So you're not interested in reducing tuition fees.

Hon. Mr. Bentley: —but then what happens at the end of that period of time with the money? If you're going to fund the institutions—and maybe you're not going to—for the consequences of the freeze, a fixed amount of money, one-time, gives you limited relief.

Mr. Marchese: I understand your argument.

Hon. Mr. Bentley: Those are some of the things that we have to factor in in any determination of how to spend a fixed amount of money, including the \$600 million when it arrives.

Mr. Marchese: When and if it comes. I understand.

I am reflecting, through the motion I'm introducing, the spirit of that agreement, and I'm just asking you whether or not you will keep up to that agreement. Based on the answer to A, you're saying, "No, we're not going to do that. It's one-time money that's not going to be helpful to freeze." You didn't comment on reduction of tuition fees, so I'm assuming you're not going to keep to the spirit of A. Let me ask B, spirit B.

Hon. Mr. Bentley: I would have thought the spirit of the investment was to ensure that the people of Ontario have an extra \$600 million to invest in the quality of and accessibility to post-secondary education, because that's what I take to be the spirit of that funding.

Mr. Marchese: Sure. I know what you're saying. I'm only reflecting the spirit of the agreement, and the spirit of the agreement includes what I just read out to you, which was A.

The spirit of B is this: Will you use Bill C-48 funds, assuming they come, when they come, to support increased access to apprenticeship training programs?

Hon. Mr. Bentley: There are actually two parts to that. We're going to use any funds received from the federal government in the best interests of the people of Ontario, and in the area of post-secondary education we'll determine where the priorities are and where the specific needs are when we receive the money. But the second part of that answer is that we've been working very hard to implement the labour market development agreement that the federal government agreed to implement in the spring with the Premier. We're working very hard to do that, and part of that agreement would involve additional investment in areas such as apprenticeship training and skills—

Mr. Marchese: I have some questions on that in a few moments.

The spirit of that agreement, which is part C, says, will you use Bill C-48 funds to establish a needs-based grant program for post-secondary students?

Hon. Mr. Bentley: Would you assist me with where the specific words are with respect to the spirit of the agreement that you're referring to?

Mr. Marchese: These are the three that I'm reading out to you.

Hon. Mr. Bentley: Where did the spirit come from? Where was that outlined?

Mr. Marchese: From the agreement between Mr. Layton and Mr. Martin.

Hon. Mr. Bentley: But who actually outlined it? Is that contained in the words of the agreement, which I don't have in front of me at the moment?

Mr. Marchese: I'm sorry—your title? I forgot. You were nodding. Do you want to help out? No. OK.

That is what we know to be the spirit of that agreement. If you don't know about it, that's fine. I'm just asking you the questions and asking you to respond to them.

Hon. Mr. Bentley: OK. So that's what you understand to be the case, but it's not necessarily—

Mr. Marchese: Yes, and I'm asking what you understand to be the spirit of the agreement. Do you know?

Hon. Mr. Bentley: And the third basket that you were asking, whether I would use it to—

Mr. Marchese: To establish a needs-based grant program for post-secondary students.

Hon. Mr. Bentley: The good thing is that we have restored grants for the neediest post-secondary students in Ontario, those with the lowest incomes. We started that process even without an additional \$600-million investment. So we're leading the way on that, and, as I said with respect to my answer to financial assistance, we will continue to find ways to improve financial assistance out of the basket of \$1.5 billion. If more money becomes available, there are other opportunities.

Mr. Marchese: I understand. It would be useful for you to look at the spirit of that agreement between the two parties federally and then reflect on the questions I asked you, because we might come back to this another time. You never know.

On apprenticeships, before the last election Dalton McGuinty promised to get rid of the classroom fee for apprenticeship brought in by Mike Harris. Dalton McGuinty said, "Ontario Liberals will get rid of the \$400 'classroom fee' that was imposed by the Conservatives. We believe this acts as a disincentive to potential apprentices." How are the plans to get rid of this fee progressing?

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Hon. Mr. Bentley: Well, we're not quite two years into the mandate. I've actually been very concerned about apprenticeships and ensuring that we have the strongest possible recruitment and training system. That's one of the reasons I announced about a month ago that we would be convening a round table of those on the front lines of apprenticeships—so labour, business, educators—to get some good advice on what's working and what's not; what are the barriers, and you mentioned one possible barrier; and how we improve the system. As part of that discussion I expect the \$400 fee will be discussed, and I'll receive some very good advice from those on the

front lines. But we're certainly working to improve access and apprenticeships in every way we can.

Mr. Marchese: I understand. But McGuinty was very clear. He's your leader and he's your Premier. I quoted him. He says, "Ontario Liberals will get rid of the \$400 classroom fee." You're asking for advice. You're two years into the mandate; soon it will be three, and soon there will be an election. Do you have a sense of whether or not this is important to you and McGuinty? Do you think it should be eliminated based on the promise you made, or are you just taking advice now from different people?

Hon. Mr. Bentley: No, the advice is with respect to how to make the entire system a stronger one. The Premier was very clear in his comments with respect to the \$400 fee, that in his view it does act as a barrier, and that's the advice I have received from a number of different quarters—so to bring that advice to the table with the experts, the front-line people, and find out how we address a stronger system. I know I'll have more to say about that fee in the not-too-distant future.

Mr. Marchese: Sure. But my point is that McGuinty said, "We're going to get rid of it."

Hon. Mr. Bentley: We've still got more than two years to do it.

Mr. Marchese: He wasn't waiting for advice; he wasn't waiting to talk to experts; he wasn't waiting to talk to the front line. His promise was, "We're going to get rid of the \$400 fee." Are you in agreement with him? If so, when are you going to get rid of it?

Hon. Mr. Bentley: I am always in agreement with the Premier.

Mr. Marchese: When are you going to get rid of the fee, then?

Hon. Mr. Bentley: We're not even two years into the mandate, and we will be delivering on all of our commitments as quickly as we possibly can.

Mr. Marchese: OK. When you got into power, you got rid of the private school tax credit. It took you very little time. Why is it taking you so long to get rid of this fee even though you are in agreement with your Premier? He is the Premier, he said he's going to get rid of it, and you're saying, "We're taking advice." I don't get it.

Hon. Mr. Bentley: I don't know; I just got here. But I've got an action table set up that will be meeting, hopefully, within the next couple of months. We'll get some good advice on the apprenticeship system. I think the Premier has outlined one of the barriers to entry in apprenticeship programs. I'm looking forward to getting that advice and building a stronger system.

Mr. Marchese: Right. I appreciate that you just got here; quite right. But do you agree that the fee is a disincentive, or do you agree with the Premier that the fee is a disincentive?

Hon. Mr. Bentley: As I said, I always agree with the Premier.

Mr. Marchese: You always agree with the Premier. OK, that's very good. Well, you've got some time, obviously, and the civil servants know about this promise.

They'll help you out and remind you that it's a promise you've got to try to keep.

Many people who train apprentices also feel that the Conservatives' decision to scrap wage requirements for apprentices was a bad idea. Does the ministry have any plans to reinstate those requirements?

Hon. Mr. Bentley: I appreciate your question, and I think that's one of the issues I will raise at the action table, to find out whether that action in eliminating was appropriate and what the consequences are.

That's one of the good things about convening an action table of experts. I personally haven't gone through an apprenticeship, unless you call articling as a lawyer an apprenticeship. It's a little different; similar in some ways, but a little different. One of the reasons you call to the table people who are actually on the front lines is that you get their front-line perspective.

Mr. Marchese: So you're going to be considering that.

Hon. Mr. Bentley: You probably have a list of things you want me to consider, and that will be helpful, because I can bring those to the table.

Mr. Marchese: Minister, is there such a thing as an "action" table versus a "passive" table? Does the table have a name?

Hon. Mr. Bentley: Yes. Lots of people talk, but we like to take action, just like those action groups—

Mr. Marchese: Just like getting rid of the \$400 apprenticeship fee?

Hon. Mr. Bentley: It's actually like the action groups we had in health and safety. We got experts together, and then we were able to launch a plan to increase the number of inspectors to a higher level than they had ever been in the province, develop a health and safety system, and a number of other things.

Mr. Marchese: But on the point of getting rid of the \$400 classroom fee, we're sitting on a passive table, then?

Hon. Mr. Bentley: No, we're sitting on a very active table, and that's going to be right at that table—

Mr. Marchese: When does that table scream for action?

Hon. Mr. Bentley: The reason we're having it is because we want to take action. We'll be setting up the meeting in the not-too-distant future.

The Vice-Chair: That ends the time for this round. Now it goes to the government side.

Mr. Milloy: Minister, I wanted to talk about—I'll call it "your empire": all the different things that your ministry is involved with and the interaction between them. We look at some of the job training supports that you have, some of the more basic skills and literacy programs. You have many different apprenticeship initiatives within your ministry, and then, of course, you can add some of the post-secondary programs, both at the college and university levels. It seems that there's a lot for people who are coming into the system, and I'm thinking particularly of some of the issues involving new Canadians and also young people in general who are

trying to look at this menu of different programs and how they fit together. I'm just wondering, are we undertaking measures to try to assist people to navigate through the system and to come up with a program that's best for them?

Hon. Mr. Bentley: You just made a fabulous point, and that is that there are so many activities by the government of Ontario, by private providers and by the federal government. How is somebody who needs some assistance, whether it's literacy assistance, integration assistance if they're a foreign-trained professional, whether it's skills upgrading—how are they to figure out which door to access? That is why we're establishing our one-stop training and employment system.

One-stop really is a way of connecting up all the good work that's going on out there in the areas of skills development, skills training and skills enhancement to ensure that, no matter which door you access, whether you go into the Job Connect service, whether you have a literacy issue, whether you have an apprenticeship or a pre-apprenticeship issue, you can go in, find out all the information you need to find out, get the assistance you need, either at that location or a referral to the specific location where you can get the assistance, and have the offices coordinate so that you don't have long waits between getting the services; in other words, develop a seamless, integrated information system.

It's so simple that you wonder why it hadn't been implemented before. We're determined to do that, and when we get to the labour market development agreement with the federal government, we'll be in a position to make sure that all the services really can speak under one roof. That's the goal of the system. We're working very hard on a platform to connect up our provincial services at the moment. There has been a lot of work done already; I met with a group of stakeholders just the other week. It's not a system designed from the top down; it's a system designed from the level of the one who has to access the system up. We're building on the great network that is in existence in a number of communities—not in others, but in a number of communities. We're building on the strengths of a localized approach to local issues. We're building on the networks that have already been developed. What we're going to do, as we create this one-stop system, is connect up people who aren't connected, build on the strengths of the networks that already exist, but take advice on where the gaps in the system are. Different communities, again, might have different gaps.

As you connect up the points, you're able to build a much stronger foundation for an employment system. This will be great for the person—let's say they have a literacy issue. They happen to go into an MTCU office where the people are experts in a number of different issues, including apprenticeship. The applicant should be able to get some information about literacy supports that are available, where they can get an assessment of what they really need as opposed to what they think they need, how to get themselves scheduled into the courses or classes that are available, and then how to go from that to

the next step, because literacy, if it's going to lead to employment, must lead to a next step. So do you go from literacy into, for example, a pre-apprenticeship program? Do you go on to a college diploma program? Are you in a position, given your level of skills, to go into some other program, whether it's a college degree or university degree etc? The whole goal is to connect up, build the foundation, fill in the gaps, and enhance one-stop, no-wrong-door access for all.

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Mr. Milloy: Great. That was very helpful. I'm going to take a step back and switch gears slightly. I want to talk about access to post-secondary education. Obviously, there's been a lot of debate and discussion that you've had, particularly with Mr. Marchese and others, about fees and encouraging students and assistance and all that.

What's interesting is that when I talk to many university presidents and senior people, obviously these issues are all top of mind, but what's also top of mind is going back earlier. I've had many university presidents say, "You've got to start when children are five, not when they're 17." It's a very broad question, but as you take over the reins of this huge task, I just wondered about the sort of priorities that you have as a minister to reach out to very young people who aren't traditionally headed toward that direction.

Hon. Mr. Bentley: I think you make a very good point. It has been observed before that around half of the people of the province actually go on either to post-secondary education programs or to other levels of skill enhancement. That means that half don't, and if we're to meet the challenges of the future, we have to have an increased skill level and knowledge level as a province.

The fact of the matter is that our human capital is the only thing that we can't borrow or buy from somewhere else. We're competing with jurisdictions that, in some cases, graduate more of certain necessary professions than we do. In some cases, they have more Ph.Ds and masters than we do, or, in some cases, they can compete at a much lower wage level than anybody in the province of Ontario would want to. In order to meet those challenges, you need to enhance productivity at every level. To enhance productivity, the key goal is to enhance knowledge and enhance skills.

How do we get the other half of the province to consider skills enhancement or college or university? Let me just talk about a couple of initiatives. The Reaching Higher plan specifically references these issues. Inherent in the substantial investment we're making in operating dollars for colleges and universities—the type of investment that they are not used to receiving—is the development of places not now available for undergraduate but also for graduate students, the development of programming opportunities in areas that might not otherwise have been available. So operating will support access.

We also targeted in the budget a specific initiative for groups that tend to be underrepresented in our post-secondary education and skills placements; for example, aboriginals, persons with disabilities, francophones and

students who happen to be the first generation of their family to consider a post-secondary education. How do you get greater access for all, but in particular and maybe firstly among those groups?

We're going to start with some strategic advice, so we're setting up three committees. I outlined one of them that has already started up. The persons with disabilities committee has already met with my predecessor. We're going to have a couple of other committees with respect to aboriginal issues. Also, on francophone issues, I've been working with my colleagues Minister Ramsay, who's responsible for aboriginal affairs, and Minister Meilleur, responsible for francophone affairs, with respect to those committees. The idea here is not simply to spend money or come up with ideas to spend money but to give us some strategic advice. What should the access agenda look like over the coming years to ensure that more and more persons generally, but in particular from these groups, can access the post-secondary agenda?

There's also money attached to that for some additional enhancements over and above the other things that we're going to be doing. It begins at \$10 million and goes up to \$50 million over five years for those extra access projects.

I would say that we have a large number of people, maybe in remote communities, maybe in isolated communities—I'm thinking particularly but not exclusively of the north—where you don't have a post-secondary education institution on your doorstep or even within a road commute or any other reasonable commute. So how do you get access to that? There are some Internet e-learning initiatives that have already been undertaken by various colleges and universities in the north. We're going to start developing an even more creative approach to the future, one which will look at obtaining access for individuals who'd never thought of having access to post-secondary education in the past simply because of the remote nature of their communities.

We're going to have to get creative. As I say, we can't recreate a college or university on every doorstep. The Internet will be part of that answer. The Internet alone, I suspect, is not the only answer because ultimately you need that interaction between student and faculty, but we're going to be developing an access agenda to reach out.

"What about students in elementary school?" you mentioned—an excellent thought—"who've never thought of going and, in particular, whose parents have never thought that their child should go on to a college?" One of the things that our society has done over the years—and it's not a direction we've actively taken; it's just a direction that has passively occurred—is place so much emphasis on universities that we might have forgotten about the great work that can be done through our college system.

My friend MPP O'Toole mentioned Durham College. My colleague MPP Jackson mentioned Mohawk and Niagara and Sheridan. I'm sure MPP Marchese was

about to ask me about all sorts of colleges in the GTA, such as Centennial, George Brown, Humber and others.

Mr. Marchese: There's so much to ask.

Hon. Mr. Bentley: And there's so much to ask and so little time to answer.

The Vice-Chair: With that, I think we're interested in moving on. If you just want to wrap up that one, we'll move on to the questions.

Hon. Mr. Bentley: Thank you very much. There's so much to say, so little time, but you get the idea. I appreciate that.

The Vice-Chair: With that, we'll now move to the official opposition.

Mr. Cameron Jackson: Minister, let me finish with the accountability framework. I had put the question on the table that—I guess there's a general, brief question: Why are you entertaining an accountability-type framework with consequences and penalties and so on that have been structured in this province for school boards and hospitals and now for this group? What is the reason we need to create a new accountability framework, and what problems have you identified that need to be included that currently don't exist in the memorandums of understanding that are signed between the government and each college and university annually?

Hon. Mr. Bentley: Thanks for that; it's a very good question. Accountability is to ensure that the additional investments that the people of Ontario are making through the Reaching Higher plan are going to achieve the results for which we're making the investments: access and quality. I understand that there are a number of reports that are already made by colleges and universities on a yearly basis with respect to accountability. We're developing a model—and we're starting from scratch—for accountability to ensure that these new investments achieve results.

You mentioned a couple of possibilities, such as previous accountability agreements with respect to school boards, or agreements with respect to hospitals, but we haven't reached a decision on our approach because we're just into the discussions with the colleges and universities on what it should look like. The goal is to provide the appropriate degree of accountability so you achieve the goals you're after, whether it's increased faculty, increased student interaction, increased resources, without placing the institution in too tight a restraint or constraint that would inhibit their own differentiation or flourishing.

So we are developing these agreements, and I wouldn't say that it's a question of identifying problems in the past; I wouldn't say that at all. It's to ensure that there is the requisite relationship between the investment the people are making—and they are investing in post-secondary education as opposed to something else—the legitimate expectation the people of Ontario have that every dollar they're investing is going to achieve some measure of improvement and the ability to make sure that the investments actually achieve the improvement. That's the purpose of the accountability.

This year's interim agreements are going to look different from future years', simply because we're trying to get it done as quickly as possible. We want accountability, but we understand that it will be a less complete conversation with the institutions than it will be for the future.

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Mr. Cameron Jackson: When do we normally have our agreements in place with the colleges and universities and their funding is cleared to them? What month do we normally have that matter tidied up? I think that's more of a staff question.

Interjection.

Mr. Cameron Jackson: So between May and August, for the record.

Hon. Mr. Bentley: Yes, and last year I think it went out in August.

Mr. Cameron Jackson: I have asked you the question earlier, and you indicated that you hoped to have that done by year-end, because colleges are currently spending.

Hon. Mr. Bentley: Yes. By calendar year-end, you asked me, I think.

Mr. Cameron Jackson: Yes, by calendar year-end.

I was the colleges and universities critic and the skills development critic back in 1986, I believe it was, when Lyn McLeod was the minister and brought in the envelope system. Could you share with us to the best of your ability just how the modified envelope system will impact on the accountability framework? In other words, I've had colleges and universities talk about how the system penalizes based on enrolment that fluctuates beyond a predictable factor. That's a safe way of putting it.

That'll lead into a discussion I want to have with you about the transition from regular schools and various other issues. I'm trying to get a sense of how the accountability framework is going to overlay the issue of enrolment fluctuation, because some universities and colleges will tell you that they feel punished by it and others feel they are able to take advantage of it. I'm sure you've been briefed in this area, and I just wanted to engage you briefly for a sense of knowing where you stand on it or if you're sensitive to it and if you're monitoring it, because there are a whole series of things you and I want to talk about in growth.

Hon. Mr. Bentley: It is an issue that has been brought to my attention in a number of different ways for a number of different reasons by many different institutions. Institutions that have taken on extra students may feel that there are some funding inequities as a result of taking on these extra students. Students are taken on for all different reasons; you'd get a variety of different reasons. I'm very interested in finding out what the effects are of those funding inequities in the system, so we're having a discussion about that. For example, what are the effects in terms of the student experience, faculty-student interaction and the types of resources? We signalled, in some previous discussions with the institu-

tions, that we would be in a position to address some of these funding inequities.

One of the things we're looking at in terms of the interim accountability agreements—that's this year's accountability agreements—is how to address that and a number of other issues at the same time as getting accountability for the infusion of additional funds through what was called the transformation money, which you saw at the bottom of page 33 of the estimates.

That's why this conversation is a bit of an extended one. The institutions have spoken for years about these funding inequities. You'd have that funding inequity based on the example you gave. Northern and rural colleges, for example, have come forward in a number of different ways and are having discussions about their funding challenges. You mentioned that the previous government had instituted an enhanced northern grant in one particular year, I'd guess probably to address some of those issues.

There are funding issues between colleges and universities about what the appropriate distribution of money should be, and everybody puts up a very forceful argument. Within the college basket or the university group, the institutions themselves might have discussions, arguments of their own.

I'd just wrap up my answer by saying that I'm having those discussions. We're determined to improve the system. How we do it is the reason we're taking a little longer to have the discussions than we might have in prior years, because so many things have come to the table at once. It's great to have these discussions if there's no money, but then you only have discussions. This year, because there's money, the discussions are taking on a little bigger life because we're able to breathe life into addressing some of the issues through the infusion of funds.

Mr. Cameron Jackson: Minister, you referenced the post-secondary transformation dollars of \$243 million, and I referenced the grants for university operating costs of \$157 million compared to grants for college operating costs at \$3.5 million. Can you, roughly, articulate what the breakdown might be of the \$243.7 million on the post-secondary transformation—just a ballpark, at least?

Hon. Mr. Bentley: I think that's a two-part conversation. We haven't finally determined what the allocations will be.

Mr. Cameron Jackson: And you've said that. I just find it unbelievable that your staff doesn't have ballparks for that.

Hon. Mr. Bentley: I'm going to give those to you.

Mr. Cameron Jackson: Thank you.

Hon. Mr. Bentley: We've signalled in some prior correspondence that the amounts would be \$87 million for the colleges and I think \$124 million for the universities, and there are some other expenditure items.

Mr. Cameron Jackson: I was just going to say, who gets the balance of the \$28 million?

Hon. Mr. Bentley: That is to support things such as additional enrolment growth, graduate expansion and some other baskets.

Mr. Cameron Jackson: All right.

Minister, we've identified at length the issue around transferability/portability between colleges for credit transfers and universities. We have a patchwork of agreements. In what framework are you addressing this problem? Who is at that table, what are your expectations, and what is your timeline?

Hon. Mr. Bentley: It's one of the areas that has been brought up by a number of different institutions and individuals. We've started the discussions. I think it's a very important area to have a much more complete discussion about.

Mr. Cameron Jackson: With whom?

Hon. Mr. Bentley: I think we need to have a discussion with the colleges, with the universities—

Mr. Cameron Jackson: But you said you've already begun them. We've identified the problem. We're all in agreement. I'm asking you, do you have a framework for these discussions? Have you notified the colleges and universities that, "This is a commitment of my ministry to resolve this issue in one, two or three years. Here is the framework in which we are going to have those meetings"? If you haven't begun that, that's fine. I'm not going to put a value on it; I'm just asking if you have begun that in any formal way.

Hon. Mr. Bentley: No. I've had some very preliminary discussions in my initial meetings with both the colleges and universities. I don't think it would be quite correct to say that all are in agreement, and you probably didn't mean it in that way.

Mr. Cameron Jackson: Of course not. This is a turf war, to a certain degree; however, I've heard you say you agree that we should be streamlining this issue to the best of our ability, because some institutions seem to be able to achieve agreements and it's working well, and others do not. Let me ask you—

Hon. Mr. Bentley: One of the things—

Mr. Cameron Jackson: I'd really—

Hon. Mr. Bentley: OK, fire away.

Mr. Cameron Jackson: We can really understand the issue here. I'm just trying to determine where your priorities are for the coming year. May I ask you, will you put that or parts of this question into the accountability agreement?

Hon. Mr. Bentley: I haven't made that decision, but I suspect not into the interim accountability agreements. Whether that issue is on the table in a more complete way for the others is an interesting question.

Mr. Cameron Jackson: I suspect you will have enrolment leakages, if they're tracking carefully, that would cause concern, because these are revenue issues, they're student loan/debt loan issues and so on and so forth.

Let's see, what did I want to get into next? Can I ask the same kind of question around the removal of the tuition freeze on behalf of student organizations both provincially and nationally? They would like to know, have you put together a consultation framework, and if so, whom will you be consulting with? What are the terms of reference? When do you expect a deliverable? What are your deliverables?

We understand the issue of the cap, and I've not commented on it because I understand the Rae report and I understand what the Premier has said. I'd rather move forward on what you plan to do to navigate that minefield over the course of the next six months, a year or whatever.

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Hon. Mr. Bentley: We have started those discussions directly at the table at the moment. We have the three student groups—two university and one college—we have the colleges and we have the universities.

Mr. Cameron Jackson: And the time frame in which you hope to complete your consultation?

Hon. Mr. Bentley: The institutions in particular would like us to make a decision sooner rather than later. What I've said is, we're going to keep having the discussions and continue them until we get it right. Obviously, everybody wants to know in time for the next academic year what the approach is going to be, so we're working as quickly as we can. The discussions aren't limited, obviously, to those at the table, because there are quite a few others who want to participate in some way, shape or form—and they are. They signalled their intent and they will be participating.

Mr. Cameron Jackson: Student organizations have indicated very clearly that they want stability and predictability, and you've acknowledged that. They are also anxious to determine the level of federal government support that's dedicated in this area, first of all so that they can have accurate comparators between provinces, but also to predict the ratio of tuition to program costs, which seems to be a substantive benchmark that's used by organizations.

I wonder to what degree you will be able to extract from the federal government a commitment to a multi-year agreement to ensure stability in this area, so that we will have a foundation on which to build our tuition policy, more so than we have in past years. This is the way I'd like to frame that.

Hon. Mr. Bentley: Obviously, it would be ideal to have a multi-year funding agreement by the federal government to infuse money into post-secondary education and skills training. That would help our general investments and of course further inform the tuition framework. I don't think we can wait for that. I think we have to develop our framework in time for the end of the freeze. Then, if additional monies are available, we'll take a look at the post-secondary education system and figure out where those additional monies should be invested.

If some of the federal money is specifically targeted, then that obviously affects the consideration, but I think you make a good point about having a multi-year agreement. That would be great, because it gives you much more flexibility in terms of where you invest the money than if it's only a one-off agreement.

Mr. Cameron Jackson: I'm going to shift to a couple of other areas that I raised very briefly in my opening statement.

The Vice-Chair: You have three minutes.

Mr. Cameron Jackson: Three minutes in this rotation? Very good. I'll finish with a simple one.

I'm a little concerned about TVOntario moving out of your ministry. I have a whole list of reasons why I think TVOntario should be repositioning itself to address lifelong learning and I don't think that is the purview of a K-to-12 minister, if I can put it that way. I really feel it's a powerful instrument. Aside from the political comment that its budget has been slashed by \$3 million—in that size of budget, I'm not sure that's that significant. What I think is more significant than the budget cut is the transfer, because there was a concerted effort to move more in terms of targeting, preparation, transition for dropouts to go into post-secondary education, to promote apprenticeship training, language difficulties and under-represented organizations with programming support. No minister likes to see a program taken away, but I guess it's my way of saying, how are you going to vigorously fight to make sure that you get your fair share of air time based on your mandate, which in my view is incredibly important?

The younger cohort is bombarded with all manner of things on television. Your mandate is not commonly found on the airwaves, to put it that way. I really felt that was a huge loss. If you want to share with us some of your concerns or what you might be doing to ensure—I went so far as to say “before the programming gets hijacked by special interests.” Yours doesn't. Your ministry has not found itself in the awkward position that some ministries find themselves in, and that's good, but the one it's in now generally becomes an instrument for various other agendas and not necessarily something as direct and important as you had. I just share with you my disappointment. I hope you find some mechanism to tether your ministry's objectives to it, because I think that was a serious loss for TVO, for the ministry and for the Premier's overall agenda here, frankly.

Hon. Mr. Bentley: Just briefly, although it was \$3-million cut out of our budget, TVO's overall money went up by 8% last year, I think, from \$54 million to \$58.8 million. The minister will speak specifically to the TVO issues. While it was in TCU, there were a number of initiatives that both our ministry and the Ministry of Education had that involved TVO. I think there is an opportunity for education generally to improve in TVO, both for adults and youngsters, and I'm sure the minister will be addressing that very specifically. I look forward to working with him and to using every means available, including TVO, as a way of getting the adult education message out. I'll stop at that.

The Vice-Chair: Now it's time for the rotation to the NDP.

Mr. Marchese: I want to go back to the apprenticeship issue, but I was reminded about something that Mr. Jackson raised, so I thought I would ask it now and then move on to apprenticeships. I was thinking of your framework table around tuition fees. That's an active table, right? The Canadian Federation of Students is calling for a freeze of tuition. The Ontario Undergraduate

Student Alliance is calling for a 30% cap on tuition fees, on the overall cost of education, so tuition should not go beyond 30%. How are you going to get them to that active framework table to discuss the matter of tuition fees going up?

Hon. Mr. Bentley: Actually, the CFS has made it quite clear—and I know that you know—that not only do they want a freeze, but they have long called for the reduction of tuition fees, and I have heard that message loud and clear. OUSA and the College Student Alliance are at the table. The point of the table is not to tell everybody before they sit down that they have to agree to something, not to say, “You can only come in if you’re going to talk about certain issues,” but to get the best advice on what the framework should look like. Obviously, people start at different points of departure and they will give advice without giving up their point of departure. I’m not asking anybody to say, “You can’t give advice unless....” What I said is, “OK, I hear you on whatever issue it is you’re talking about, whether you’re an institution or the College Student Alliance or OUSA or CFS. Give me your best advice on issues such as predictability, transparency, how to improve the system generally and how to develop a framework that will work best.”

Mr. Marchese: I understand. I know these positions to be strongly held by these two organizations. I share both of their concerns. We, as New Democrats, called for a 10% reduction in tuition fees in the last election, so we’re on the same track with the students. I’m assuming that you’ll have a vigorous discussion at the active table, and I just thought I would raise that with you.

Hon. Mr. Bentley: An active discussion at the active table.

Mr. Marchese: The labour market development agreement: How much revenue is the ministry hoping to obtain from the labour market development agreement with Ottawa?

Hon. Mr. Bentley: There are two parts to that. The labour market development EI part II issues are \$500-million-odd that the federal government expends every year in Ontario. Our position has been that we want a transfer of that to the province of Ontario.

You will remember that the agreement outlined between the Prime Minister and the Premier in May also called for an additional infusion of \$314 million a year into the province to support Ontario’s programs in certain areas, to recognize the fact that Ontario historically has received less than the national average in terms of federal transfers.

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Mr. Marchese: OK, so the Premier asked for more money at the May 7 meeting. Martin and McGuinty agreed at that meeting that that agreement would be reached or a deal would be reached within 30 working days. That was over 150 days ago. Do you know what happened?

Hon. Mr. Bentley: I am working very hard to implement that agreement.

Mr. Marchese: You’re new to the job. “We don’t really know.” It’s hard.

Hon. Mr. Bentley: I am working very hard to implement that agreement.

Mr. Marchese: Have you been screaming at that active table to get this thing moving and that kind of stuff?

Hon. Mr. Bentley: I think you could say that I’ve been very active at that active table.

Interjection.

Hon. Mr. Bentley: I’m not sure I did the shoe-off thing, but—

Mr. Marchese: But you’ve been active. In terms of being active at that table, do you know what the status of those negotiations is?

Hon. Mr. Bentley: I’m working very hard to get that agreement implemented. I’m not trying to be difficult, but you’ll appreciate that sometimes negotiations proceed better when they’re not done publicly.

Mr. Marchese: I understand. I was just reminded earlier that when the Premier of Ontario wants to make a point, he doesn’t get dissuaded by whatever it is that federal members might be saying, including the Prime Minister. It surprises me, given the agreement the Premier had with Martin that an agreement would be reached within a month, that we haven’t and that we’re silent, on the basis perhaps that silence is a better prescription to getting an agreement. I’m just puzzled a bit.

Hon. Mr. Bentley: I’m not sure silence is a better prescription. I think you can take it that we are very actively working at every table to implement that agreement, to get the labour market development agreement for Ontario. These are active, minute-by-minute involvements.

Mr. Marchese: Oh, I feel the energy. Do you have a sense of what ministry programs and initiatives are currently on hold because of these stalled negotiations?

Hon. Mr. Bentley: No initiatives of our ministry are on hold as a result of not having a labour market development agreement. What we aren’t able to do is integrate federal programs into our one-stop system, but we’re proceeding with our one-stop system. What we aren’t able to do is directly benefit from the additional infusion of funds that is outlined in the agreement until they actually start flowing. It’s like other “may” agreements. So we’re very actively working to have these funds flow so that we can all benefit from the opportunities.

Mr. Marchese: You understand how relieved I am that all of you are so actively working on it.

Hon. Mr. Bentley: I can sense the relief.

Mr. Marchese: Before the election, Dalton McGuinty said that this agreement was extremely important. He criticized the former government for not reaching a deal. He said, “The Harris-Eves government was too busy fighting with the federal government to partner with them on a skills strategy for Ontario.” What do you think?

Hon. Mr. Bentley: You know, the Premier has stood up for Ontario. He made the \$23-billion gap an issue.

Notwithstanding that some might have looked askance at the issue when he first raised it, he outlined the issue clearly, articulately and made the case. It's not a question of eliminating the gap; it's a question of achieving fairness for the people of Ontario. We continue to be very dedicated to doing that. It's an ongoing thing; it's not a one-off argument or issue. The Premier's working very hard, as are the rest of us, in achieving not only fairness for the people of Ontario but, in my particular case, the infusion of funds for post-secondary education and training and specifically the labour market development agreement that you asked about.

Mr. Marchese: If I replaced "McGuinty" and put, let's say, "John Tory," and I say, "John Tory says that the McGuinty-Martin governments are so busy fighting with each other that we are not able to achieve a skills strategy for Ontario," what would you say?

Hon. Mr. Bentley: I think that you were on me a few minutes ago—

Mr. Cameron Jackson: You'd be saying he put words in Tory's mouth.

Hon. Mr. Bentley: Yes, I think you were commenting earlier that you weren't hearing the yelling from the rooftops with respect to a number of different issues. I think that our position is to be firm, fair and resolved to achieve a better deal for the people of Ontario. That has been the Premier's approach generally and specifically. How others would react, I'll leave for others to speak for themselves.

I note that the \$23-billion-gap issue was supported by all three parties in the Legislature of the province of Ontario. I would be surprised if it hadn't been. It was supported by all three parties.

Mr. Marchese: I don't recall the Conservatives and Liberals siding with us during the recession. The federal Liberal government in 1990 slashed the transfer payments from 50-50 agreements. Then in 1993, when M. Chrétien got into office, he made further slashes.

Mr. Cameron Jackson: We did vote with you on that.

Mr. Marchese: You did?

Mr. Cameron Jackson: Yes. I was there. I've been here 21 years, and I remember.

Mr. Marchese: I remember Stockwell getting up, and I remember Monsieur Gary Carr and so many others. You weren't there at that time. "You don't have a revenue problem; you've got a spending problem," you'd say. I thank you for your support, even though we didn't have it.

Hon. Mr. Bentley: You have the advantage on me, in that I wasn't there at the time. I was busy practising law in London, Ontario.

Mr. Marchese: A better thing—

Hon. Mr. Bentley: A different thing.

Mr. Marchese: —at that time.

Hon. Mr. Bentley: The Premier will continue to be very determined, and progress has been made. It is an issue. We've got the feds to the table, and we've got them talking. We have the May agreement, and we're going to get that implemented.

Mr. Marchese: In his report, Bob Rae recommended that colleges be made responsible for the entire apprenticeship application and intake process. Is the ministry planning to act on this recommendation?

Hon. Mr. Bentley: It's an interesting recommendation. I took a look at that, and my first question was: What do all the other people who are involved in apprenticeship training think about that—the businesses, labour organizations and unions?

I had the opportunity just a few days ago to go down and speak at the building trades convention in Kingston, and received some advice on that. I think that one of the things that our action table on apprenticeships will be able to address is how to build a stronger system. You bring all the people who are involved in it together. You get them talking about the issue together. You think about how to build a stronger system. Are there ways of doing something differently than we have done them to make it stronger? As my colleague MPP Jackson said earlier, I don't think you necessarily stick to the way it has always been done. You say, "Let's look at how it has always been done. Why? How do you make it stronger?"

As to the specific recommendation, I think I'm looking forward to some good advice on how to build a stronger system.

Mr. Marchese: My sense from what you just said is that we're probably getting a commitment from you that before you do anything, you are likely to bring to this active table the stakeholders, including the industrial and building trades, OPSEU, the colleges and teachers' unions, before any changes are made. Is that my sense of the commitment you're about to make?

Hon. Mr. Bentley: We have announced an action table. We'll be bringing labour, business, trainers and educators to the table to talk about how to improve the apprenticeship system. When I struck the health and safety action groups, I was actually struck by how many people wanted to be at the table. It's not always possible to have everybody at the table. What you do is you bring a representative sample to the table and get some good advice.

I say to everybody who wants to provide advice, please, don't wait. Please, give us advice, such as you're giving me here today on program directions we might consider taking. Give us advice on what it should look like. We haven't decided on the representation of the table.

Likewise, on that specific recommendation, that is an idea out there. It will obviously, I suspect—I shouldn't say "obviously," because I'm not going to dictate the agenda to that extent, but I suspect that will be an issue on the table for this action table to consider.

Mr. Marchese: You've announced a target of 7,000 new apprenticeships registered under your plan every year, to a total of 26,000 each year by 2007-08. What steps are you taking to make sure that this goal is met?

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Hon. Mr. Bentley: A number of different steps. Let me highlight a few: first of all, the apprenticeship training tax credit. This provides support for employers to

take on apprentices. Apprentices are an enormous resource for employers. Sometimes they're an additional training cost to an employer to take them on, especially at the very beginning. So an apprenticeship training tax credit provides an employer \$5,000 a year, up to \$15,000 for three years, to take on an apprentice. The word about this is getting out. It's not everywhere. I'm a bit surprised, but it's not everywhere. We're developing some strategies to get the word more actively out. We need employers to know that they can get a direct benefit from this type of credit.

Secondly, programs such as the co-op diploma apprenticeship program encourage individuals to look at apprenticeships in a different and creative way. Our funding support for colleges in particular will enable them to enhance some of the apprenticeship and related training programs they have—the spots.

Our approach to one-stop will help to demystify the training and apprenticeship system in particular. We're going to be having some information initiatives in the secondary schools to make students more aware of the opportunities that the trades can present and that apprenticeship opportunities in particular can present. We're investing additional monies in our training system, particularly in the apprenticeship area, to make sure we can grow the system so that we can come up with those extra 7,000. I expect that at the action table I'm going to get some more advice about opportunities to look at so we can improve, enhance, our apprenticeship system and get our extra 7,000 individuals. Those are just some of the areas.

Mr. Marchese: OK. I've got a couple more questions. What steps have you taken to create placements for these apprentices, as opposed to simply registering them?

Hon. Mr. Bentley: Employment placements. I think the apprenticeship training tax credit is one of the most significant. I think the point has been made on a number of different occasions that it's great to start them in the course work, but they actually have to have a place to go. The apprenticeship training tax credit encourages employers who might be concerned about taking on an apprentice to do so or to take an extra one on. It also encourages employers to release those apprentices for their in-apprenticeship classroom training, whether it's day release or a multi-week release. I think one of the things we have to do—I'm just taking a look. The scholarship and signing bonus for students who've left secondary school, go back and get their education upgraded and then sign on as an apprentice: There's actually a signing bonus of \$2,000 for the employer to take that individual on, so that's a direct incentive to an employer.

One of the other things we have to do, though, at this table and in the discussions that will surround it and come out of it is take a look at why some employers don't take apprentices on. Some of them don't sign up apprentices at the beginning. Some of them are happy, as I heard over the last weekend, to poach from others after the apprentice has been in the system for a year or two. Some wait until they're journeypersons. We need to

figure out what is going on and why, and what everybody at the table can do—not just government, but everybody—to improve the system.

Mr. Marchese: Right. That's what I was thinking. So you're not waiting for the employers to access the tax credit, because you obviously realize that some are not, as you've just pointed out. So because some are not, you and your ministry staff are looking at some strategy to make sure the word gets out, and that's it, basically?

Hon. Mr. Bentley: No, no, no.

Mr. Marchese: Please explain it to me so I know it better.

Hon. Mr. Bentley: What I said was that there is an investment in the apprenticeship area. It's going to grow to \$11.7 million annually by 2006-07 to support apprenticeships. When we get the labour market development agreement, there's specific agreement that was reached in May for funding to enhance apprenticeship opportunities in all aspects. As we continue to grow the OYAP program in high schools—it's now over \$20,000 a year—it will encourage more to become involved in apprenticeships. The Learning to 18 initiative will present many opportunities for young people to retain a connection with education of some description and then move on—some—to apprenticeships.

Mr. Marchese: You'll remember that my question was, what steps have you taken to create placements for these apprentices, as opposed to simply registering them?

The Vice-Chair: The time has pretty well elapsed for this rotation. We'll now move to the opposition.

Mr. Cameron Jackson: Minister, I want to revisit some of the concerns being expressed by ACAATO, the colleges of applied arts. They have indicated on the tuition fee policy that they would recommend that you fund increases from government grants and not tuition fees; however, if you are required to do that, that they be done in a predictable manner. Then they go on to talk about how the boards want to have greater authority in setting fees by expanding the deregulation fee environment. They go on to ask that future tuition fee policy not include the tuition set-aside provisions—I assume they mean by that the set-aside increases that were earmarked for low-income students.

Could you respond a bit in terms of where you're coming from? I know you are going to be doing this in an open consultation manner, but I can tell you that I feel very strongly about the provision of access for low-income students, so I may not necessarily agree with ACAATO. If that continues to be the framework, I would want to hold on to that.

Let's take the microscope up for a moment and just ask you about some issues about the principles here of differentiated fee schedules based on program, on the principles of lower fees for lower-income students and/or those who have not had access to the system historically, and, in particular, if you have difficulty with the tuition set-aside provisions.

Hon. Mr. Bentley: ACAATO has brought a number of different issues to the table, and, I might say, par-

ticipated very completely in the discussions that we have been having, and they're ongoing discussions. I did mean it when I said that we haven't yet designed the framework, so I'm actively taking advice on what it should look like. I think we have met the number one requirement by very actively investing in post-secondary education through the Reaching Higher plan; that's bringing money to the table to support it. The question is, does the system need a further infusion of funds, and where is it going to come from?

Based on achieving a system that has improved access and improved quality—let me address the access issue, because it is one that you particularly highlighted. I've already said today that we introduced the grants for low-income students for both colleges and universities. That was specifically to ensure that students who might have been prevented by sticker shock and unwillingness to incur debt would have access to post-secondary education. I think it was a very important initiative. Can we build on that for the future? Absolutely.

The set-aside monies, which were instituted under your administration, I believe, provide a rather substantial basket of money for the institutions to provide sometimes work opportunities, sometimes bursaries, sometimes grants, over and above the OSAP provisions for various students. We're having some discussions about the set-aside. We've only just started those discussions about what it should look like, about whether it's working as everyone would like it to work. We're going to continue those discussions; we haven't made any decisions about the framework generally or about the set-aside in particular.

Mr. Cameron Jackson: Very good. Minister, as I track various annualized fees, whether it's park admission or Ontario drug benefit—there's a whole host of these, and they all have different determinant frameworks. Cabinet approved some; minister's discretion—are you prepared to look at multi-year commitments? Are you prepared to put that on the table: that, if you're going to do multi-year funding to universities and colleges, you would consider doing multi-year lock-ins for tuition? You haven't taken that off the table?

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Hon. Mr. Bentley: No; not at all.

Mr. Cameron Jackson: But you're prepared to look at that.

Hon. Mr. Bentley: Absolutely. We haven't gotten into what that framework would look like.

Mr. Cameron Jackson: OK. It has been mentioned by some of the student organizations that they want to look at multi-year predictability—

Hon. Mr. Bentley: In terms of tuition?

Mr. Cameron Jackson: Yes.

Hon. Mr. Bentley: I should say that, in fact, that's one of the things that we have been able to find as being very positive, that there should be predictability in the approach.

Mr. Cameron Jackson: All right. Then let me proceed—

Hon. Mr. Bentley: But that is a little different issue than a multi-year tuition framework.

Mr. Cameron Jackson: It's just so that students know whether you're going to tie it to a cost-of-living index or if you're going to tie it to performance, or what. Whatever you're going to do, I'm just simply saying that the history in Ontario is to announce it on an annual basis, like we do rent control, based on some loosely defined formula that may or may not have political intervention by cabinet. So hopefully we'll move outside of that framework, which hasn't done really well, from my recollections sitting around the cabinet table.

Hon. Mr. Bentley: I think that's good advice, and we'll certainly strive to achieve that type of stability.

Mr. Cameron Jackson: Thank you. Minister, earlier—or no, late last week; Friday of last week—I attended what was loosely defined as an opening for John Stewart University in my riding of Burlington. It exists as a unique collaborative project by virtue of legislation brought in by our government in the year 2000 that allowed for private universities. There was considerable excitement on the faces of 118 student candidates who were screened out of over 550 applicants to attend that private university in order to gain their teachers' certification. And they're paying \$15,000 each for that privilege. Most of them said to me, "You know, it's cheaper here than it is for me to go to the States, and I can't get into an Ontario teachers' college. I cannot get into one in New Brunswick," which is where a lot of my constituents who don't get in try and get into.

I was struck by how well-received the whole process was. In fact, I must have talked to eight retired teachers from the Halton separate and public school boards who all now have wonderfully paying jobs and are very happy. The school boards are there endorsing it, and so on and so forth.

I guess my question to you, Minister, is: Prior to your arrival at Queen's Park, your party had a lot to say in opposition, condemning these kinds of proposals. So I'd like to know if your party's position has changed very much now that it's in government, or if you are going to process further applications much in the same way as the previous government did under the enabling legislation.

Hon. Mr. Bentley: That's a very interesting question. I very much appreciate it.

Mr. Cameron Jackson: I'm sure you do.

Hon. Mr. Bentley: My focus in the couple of months that I've been here is really on implementing the Reaching Higher plan, which is additional funding for our publicly funded institutions. I haven't yet addressed my mind more completely to the other issues, which I certainly will, other than, unfortunately, to say that I wasn't able to meet with the new president because of this and a number of other commitments this week.

I was asked the same question a slightly different way by a slightly different group of individuals a couple of weeks ago, and it is a question to which I will address my mind in the near future.

Mr. Cameron Jackson: Minister, are there any current applications or pending applications before your

ministry in this regard? The legislation still is in effect. Are there any of those, and which individual on your staff is responsible for that program?

Hon. Mr. Bentley: There are a number of them. Some are on the way to PEQAB, I think, and some have gone through PEQAB.

Mr. Cameron Jackson: Could we request formally a list of all applications and their status since the program inception in 2000? That would be very much appreciated.

Hon. Mr. Bentley: For the teacher ones?

Mr. Cameron Jackson: No, my question was generally about all applications.

Hon. Mr. Bentley: Just a second here.

Actually, there's apparently a PEQAB Web site that has all of them on them.

Mr. Cameron Jackson: It's good to know that you and I are both learning about it for the first time.

Hon. Mr. Bentley: And I was about to say the same thing.

Mr. Cameron Jackson: I would be surprised to learn if the pending applications are sitting on there. There's some confidentiality—but they are. I'm getting all sorts of incredible nods.

Hon. Mr. Bentley: Obviously, I haven't looked at it.

Mr. Cameron Jackson: No, no, that's OK. Neither have I, actually, but I've been contacted by various groups who are seeking accreditation and then the ability to charge Ontario residents and other students the same.

In no apparent order—just in the time remaining—another position that your party used to take in opposition was that of the gulf between what an international student pays for tuition and what a domestic student pays for tuition. I wonder if your position has changed very much or if you're concerned about the gap.

Hon. Mr. Bentley: Again, I wasn't here during the opposition days. We are working to implement the immigration agreement, which will give students from outside the ability to work. With respect to the Reaching Higher plan, my focus, to be perfectly direct, has been on implementing the plan. I haven't begun to address issues such as the one you just outlined.

Mr. Cameron Jackson: Then may I ask another question? I recall when Premier Harris returned and we were discussing the Premier's round table, similar to the one that you're about to engage in. Amidst a bunch of other provincial Premiers complaining about transfers and the time-honoured view that Ontario has everything, I recall vividly the sort of abrupt conversation between the then Premier of British Columbia and our Premier, who was pleased to share with him, "Please be aware of the fact that a disproportionate number of BC students attend university in Ontario, where they're heavily subsidized, versus the number of Ontario students who attend BC institutions and receive different treatment in terms of the netting out." We have a formal agreement that exists when these matters occur under the Canada Health Act. We have no such system for students.

My question to you, Minister, though, is: What kind of a handle do you have on the imbalance between students

who come from outside the province and who are attending our institutions, and those who are obtaining their education in their own province? This is not done to inflame anybody. If we can enter the debate on inequities between provinces, it's important to put on the record that—when we were trying to sell the issue of the double cohort, I oft-times said that I wished I was born in Saskatchewan, because I could have entered the workforce one full year earlier than I could because I was born in Ontario, and for some reason, we're the only province that feels that we need one more year of education than the rest of the country. Putting that facetious comment aside, it is true that we were receiving 17-year-olds into our university from Saskatchewan when we were all 18 or 19 going into university. Are you on top of that statistic? Does it give you any concern? Is it an issue which you're prepared to raise in the context of the importance of getting fair and equitable funding treatment?

Hon. Mr. Bentley: No, it's not something that I'm looking at in terms of the fairness and equity issue. I think my approach to the issue would be this: We want to make sure that there are opportunities for all of the students in the province of Ontario. For that reason, we're growing the system. We're producing greater opportunities.

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But you know, those who come from somewhere else, whether it's within Canada or from outside Canada, bring something extra or something special to the table. They bring their own background, their own experiences, their own knowledge, their own approaches to issues. That type of infusion of students into the province of Ontario can only enrich the educational experiences that all Ontarians receive at our publicly funded institutions.

I think it's important in addressing the question—in the way that you're addressing it, and I quite appreciate that—that we understand it's sometimes not simply a question of adding up the dollars but a question of taking a look at the other benefits that many others bring to the table. For example, when a foreign-trained student comes to one of our institutions, they bring their background, and then, when they leave, they take with them knowledge of Ontario—a great idea to set up future trade and other relationships.

Mr. Cameron Jackson: Minister, I think we've both addressed this previously in statements. I just wanted to know if you were tracking this statistically; yes or no?

Hon. Mr. Bentley: No.

Mr. Cameron Jackson: You're not. OK, thank you.

Hon. Mr. Bentley: I personally am not.

Mr. Cameron Jackson: I know you're not sitting at your desk doing numbers. I'm not seeing any nods from your senior bureaucrats that you're tracking this in any fashion. OK. We are tracking, though, domestic versus international students because of the substantive fee differences? OK, thank you. Could we have that breakdown as a statistic, please?

Hon. Mr. Bentley: We don't have a figure at hand.

Mr. Cameron Jackson: You don't have it at hand? OK.

Minister, I'm going to spill over into your former ministry, but this is something I've got to get off my chest, because I was unsuccessful in all my years in cabinet at getting it fixed. It affects your ministry, and let me tell you how.

We have a summer employment program in this province and we dole money out to ministries and so on and so forth. If you are attending a post-secondary institution, you get paid at one fee rate, but if you are a graduate of high school and have enrolled in a university, you get paid at the lower rate. I think that's discriminatory and I would ask if you could speak to whichever minister that affects, whether it's at Ontario Place or young people working in our parks. As a former labour minister, I think you'd see the fairness of what I'm raising, but as Minister of Training, Colleges and Universities, I suspect the importance is amplified of treating students who are entering university at the same pay rate as students. The issue, as I understand the genesis of the program, is that it has more to do with helping them pay their way through university than compensating them for their specific skill set. If I could just leave that with you and if you could make that one of your little projects, it would be wonderful.

Hon. Mr. Bentley: Thank you for raising that with me.

Mr. Cameron Jackson: I'm running out of time. Minister, you received a considerable amount of experience in the Privy Council as the Minister of Labour. You mentioned earlier that you'd heard this concept of poaching for the first time recently. I want to ask you if, as the Minister of Labour, you had considered any of the concerns being raised by trade unions and employer groups as well, and now, wearing the new hat of Training, Colleges and Universities, if you've looked at any strategies that deal with poaching. There are known to be three or four different strategies to deal with it. Is this something you're prepared to look at fairly quickly to ensure that we can stabilize the environment around which employers are making current decisions with new dollars from your government, but doing them with a slight bit of trepidation?

Hon. Mr. Bentley: Gosh, they shouldn't be making any decisions with any trepidation. We're determined to improve the system. When we talk about poaching, that is a piece of advice I got from the business council I met with some months ago, that some employers are borrowing permanently, if you will, apprentices started by other employers.

The question is, looking at it soon? Yes. Am I confident that we're going to have the answer to the question? Gosh, I don't know that I could say that. I think you're right that we need to start with employers, at the businesses, and find out what the real issues are. Why do they take apprentices who are a couple of years in, for example? "Poaching" is not the best word to use for it, but why do they do that? Why do some employers only

want apprentices for a couple of years, don't want to finish them off? That's the flip side.

I think we need to have a more complete discussion. I won't promise you that I'll have the answer in a couple of months, but I'm certainly going to start the discussion.

The Vice-Chair: Thank you very much, Minister. Now the rotation will return to the NDP. I recognize Mr. Marchese.

Mr. Marchese: Minister, back to apprenticeships: Education assistants, child and youth workers, and early childhood educators must register as apprentices now. Some have speculated that there are potentially as many as 20,000 of these workers registering. Will you count these toward your target of 7,000 new apprentices?

Hon. Mr. Bentley: Obviously, all apprentices in recognized apprenticeship programs will be part of the apprenticeship basket in the province of Ontario. The reasons you have an apprenticeship are manifold. You have it to ensure that you can provide the appropriate level of training, the appropriate knowledge and the appropriate ability to interact in various work environments.

Mr. Marchese: Right. My point is that these people already have a degree and, under normal circumstances, they could go out there and get a job. Now they have to get an apprenticeship. I'm asking, will they be counted as part of the 26,000 you want to have as your goal to get into this program?

Hon. Mr. Bentley: Actually, the one you outlined is not a compulsory trade, so they don't have to register as apprentices.

Mr. Marchese: So education assistants, child and youth workers, and early childhood educators don't have to register as apprentices?

Hon. Mr. Bentley: They're not compulsory trades.

Interjection.

Mr. Marchese: Would you mind just saying that for the record? Identify yourself.

The Vice-Chair: Identify yourself, please.

Ms. Sandie Birkhead-Kirk: I'm Sandie Birkhead-Kirk, the assistant deputy minister of the labour market and training division. In each of those areas, apprenticeship is an option. They can choose the apprenticeship route or they can choose the post-secondary route. They're not required to register; it's not compulsory.

Mr. Marchese: So if they already have this degree, why would they want to—

Hon. Mr. Bentley: They don't have to get the apprenticeship.

Mr. Marchese: Yes. She just said it's an option. My question is, why do we make it an option? What's the point?

Hon. Mr. Bentley: An apprenticeship can offer different opportunities in a number of different ways. An employer looking at somebody who is not an apprentice—take a carpenter, for example. You don't have to be an apprenticed carpenter, but an employer knows that if you're an apprenticed carpenter you've got a certain common core of training, including health and safety

training, you've been trained by people who are experienced in the area, and you have an easy ability to blend into most places—

Mr. Marchese: I understand. But let's take the example of early childhood educators, because my daughter went through that program and she's now a teacher. She did a lot of training on the job, which would be considered an apprenticeship. Why would they want to do it again? I don't understand the benefit of that.

Hon. Mr. Bentley: I think that these are options.

Mr. Marchese: But why make them options? I'm not understanding it. I know you were trying to explain it, but I'm saying that early childhood educators get that apprenticeship program, so why would you make it an option for people like that?

Hon. Mr. Bentley: An apprenticeship in these areas is an option for a student who wants to enter the workforce but doesn't have the diploma or the degree that others have. It's not a question of taking a degree in the area and then going into an apprenticeship; it's an option for someone coming out of, for example, secondary school with a diploma and saying, "Do I want to go on to a diploma or a degree at a college or university, or do I want to enter an apprenticeship in this particular place?" They have that option.

Mr. Marchese: So if an early childhood educator who's got her or his degree already decides, "Here's an option. I can go and get my apprenticeship," they count as part of your numbers. Is that the point? Is that correct?

1520

Hon. Mr. Bentley: Well, they would count, but I can't imagine that they would want to then register as an apprentice, because they would already have the knowledge.

Mr. Marchese: That's what I was saying to you. That's the argument I was making. Your point was that it's an option for them, if they want to. But not for them—ah, so now I understand. It's an option for some, but not for them.

Hon. Mr. Bentley: No, no, no. Somebody coming out of high school can take a number of different routes to whatever their ultimate destination is. Some will enter college or a diploma program knowing they want to end up in the profession you've outlined; some will not. For those who do and get the degree or diploma they want, they can then go to work with the benefit of that degree or diploma. Someone coming out of high school who doesn't wish to enter a formal college or university degree or diploma program can enter an apprenticeship in a number of different areas, including this one. It's an option. It's another route to success.

Mr. Marchese: I understand the idea of another route to success. Maybe you understand it better than I, but I'm just trying to be sure that we're clear on this. You're giving me an example of some high school student who drops out and comes back and says, "I want to get into this apprenticeship program."

Hon. Mr. Bentley: Or doesn't drop out.

Mr. Marchese: Or doesn't drop out. But if you have an early childhood educator who's already gotten her

degree, we assume that these people probably wouldn't opt in to this apprenticeship program.

Hon. Mr. Bentley: Right. I think that's the right assumption, and they won't be counted.

Mr. Marchese: Is this my misunderstanding of what might be going on out there in terms of our understanding of this, or is it just a confusion?

Hon. Mr. Bentley: If somebody completes their degree or diploma in early childhood education and wants to do an apprenticeship, we're not going to stop them. I can't imagine that most would want to, but there will always be exceptions to every assumption.

Mr. Marchese: Right. So the people I've mentioned—early childhood educators, education assistants, child and youth workers—can, if they want to—

Hon. Mr. Bentley: It's not a compulsory trade. That's right.

Mr. Marchese: I see. OK. Moving on: In a release on September 13, the ministry brags about creating the apprenticeship training tax credit to, as you say, "encourage more employers to hire and train apprentices." Is your ministry sure that credits are only granted to applicants providing a registered skilled trade?

Hon. Mr. Bentley: There are a number of listed apprentices to whom the credit will apply. The Ministry of Finance, in conjunction with our ministry, constantly updates the list.

Mr. Marchese: How big is that list, by the way?

Hon. Mr. Bentley: There's—

Interjection.

Mr. Marchese: Over a hundred, so it's hard to ask you to list them all.

Hon. Mr. Bentley: I suspect it's a public list.

Mr. Marchese: On the Web site?

Interjection.

Mr. Marchese: The question was, does your ministry ensure that credits are only going to applicants providing a registered skilled trade?

The Vice-Chair: Pardon me, Mr. Marchese. If persons are going to be speaking from the floor, would they come to the table and identify themselves? It's for Hansard primarily. If there's a specific request, Mr. Marchese, you could ask for a staff person and then the minister could respond.

Mr. Marchese: Of course.

Hon. Mr. Bentley: The answer to the last question was yes; she tells me it's on the Web site.

Mr. Marchese: Given the yes, how do you do it, s'il vous plaît? Confer with the minister, and then answer. She can answer for you, Minister.

Hon. Mr. Bentley: It's on the Ministry of Finance Web site. You can access that information.

Mr. Marchese: If you don't mind, Minister, could we get her to tell us how that works? If you don't mind, that is.

Ms. Birkhead-Kirk: Sandie Birkhead-Kirk, labour market and training division. When an apprentice is registered, there's a contract that's filed with us, and the

employer shows a copy of that when they file their income tax. They can also check it with us.

Mr. Marchese: So they have a contract with you—

Ms. Birkhead-Kirk: It's filed with us. The contract is between the employer and the apprentice. It's filed with us.

Mr. Marchese: How do you know that the work actually happened or that the apprentice actually got to be apprenticed or that the person actually did the work or got paid? How do you really know those things?

Ms. Birkhead-Kirk: Because we have field staff who do the registration and monitor the contracts.

Interjections.

Mr. Marchese: Chair, if you don't mind, it's getting harder for me, because I'm getting older and it's hard to hear when people are yapping.

The Vice-Chair: Would the government members respect who has the floor? Mr. Marchese.

Mr. Marchese: With all due respect.

Sorry, I got interrupted so I couldn't ask you the follow-up question. I don't mean to put you on the spot, by the way. That's not my intent. So how many field staff do we have?

Ms. Birkhead-Kirk: About 100.

Mr. Marchese: Was this number specifically created for this particular program?

Ms. Birkhead-Kirk: It's part of the apprenticeship program field staff, and the tax credit was one of our new initiatives.

Mr. Marchese: Have we always had 100 people as part of the apprenticeship programs?

Ms. Birkhead-Kirk: About that, in terms of field staff, yes.

Mr. Marchese: With the addition of these new programs, we still have the same number of people going out in the field?

Ms. Birkhead-Kirk: Yes, that's correct.

Mr. Marchese: Do you think that's—that might not be fair to you.

Hon. Mr. Bentley: Thank you very much. I'll take the "do you thinks."

Mr. Marchese: Minister, what do you think of that, the same number of field staff dealing with 26,000 more people getting into these apprenticeship programs? Do you think you've got an adequate number of people to oversee this program?

Hon. Mr. Bentley: Actually, the ministry has, as I understand it, always monitored the contracts between employers and apprentices. This would go back many years; probably during the NDP years as well. The monitoring is the same that has been going on. If there are suggestions that it should be done in a different way, I'm always happy to hear them.

Mr. Marchese: It's not a matter of whether I have a different suggestion. My question was, given that you now have introduced a new program with a new number of apprentices who are going to be in place, it would seem to me that field staff would have additional work. Are you concerned?

Hon. Mr. Bentley: I'm always happy to hear about workload issues and others. As we make sure that the one-stop system develops across the province, we'll have a greater opportunity to even out the workload for any who have a significant amount of extra to do at any one point in time. I'm not aware that there are issues with respect to the apprenticeship field staff other than that I know they will work very hard, as it has been my experience that all of our public servants do in the course of their employment.

Mr. Marchese: I don't dispute that these folks are working hard; that's not the point. There may be problems out there, and at some point, when we have the opportunity, we'll bring those out to you. But I think you should be worried, because I suspect there are problems in this particular sector. I think we probably don't have enough field staff, based on the new programs, and I'm not certain and feel secure that we have the proper oversight. What you're telling me is that you feel OK.

Hon. Mr. Bentley: I'm not aware of the issues, and if they're brought to my attention, I certainly—

Mr. Marchese: Well, the staff seems to be comfortable with that. Very good. There will be another opportunity for us to bring this issue to you.

According to an August 13 article in the *Ottawa Citizen*, Dell Computers is claiming the apprenticeship training tax credit for training staff in their call centres. I was just reading this article a little while ago. I've got it here with me, by the way. I think they're going to be training 500 people. What registered skilled trade might these employees be learning?

Hon. Mr. Bentley: The Dell agreement reflects the fact that we're prepared to make sure that our training and employment division actually adapts to the needs of a changing workplace. The fact of the matter is that we have to look at strengthening our existing training network and developing opportunities to train people in new and different ways. One of the things that Dell and other high-tech companies offer is the ability to train people with their own up-to-date, most modern equipment and—

Mr. Marchese: Let me ask you another question. The apprenticeship training tax credit: It says, "The apprentice is in a qualifying skilled trade approved by the Ministry of Training, Colleges and Universities." Is what Dell is providing by way of a trade part of the 100 trades listed?

Hon. Mr. Bentley: The answer is yes.

Mr. Marchese: Could you read from the sheet she sent you what trade this appropriately fits into?

1530

Hon. Mr. Bentley: There are actually three that I have here: network call specialist—

Mr. Marchese: Network cabling.

Hon. Mr. Bentley: Sorry, network cabling specialist.

Mr. Marchese: What else?

Hon. Mr. Bentley: Help desk analyst and IT analyst.

Mr. Marchese: Health desk analyst?

Hon. Mr. Bentley: Help desk analyst.

Mr. Marchese: Yes. That's two. What's the other one?

Hon. Mr. Bentley: IT analyst.

Mr. Marchese: IT. The company wouldn't get a credit for all 500 people; they would just get the tax credit for the trades that are identified in your 100 list, which is network cabling—what is that, by the way, Ms. Birkhead-Kirk? Maybe the minister knows.

Hon. Mr. Bentley: No, I don't actually; but what I do know is that we have an arrangement—

Mr. Marchese: I know about the arrangement.

Hon. Mr. Bentley: —with the industry so that they can benefit from the tax credit opportunities to increase the skill level of people who will be employed in Ontario, specifically at Dell in the Ottawa area. It's a very important investment for the people of Ontario.

Mr. Marchese: Oh, I know that.

Hon. Mr. Bentley: And it's a very important investment for the people in the Ottawa area.

Mr. Marchese: I know that, too.

Hon. Mr. Bentley: It's the type of approach that I think we'll really want to take a look at and see whether it works, to make sure that we can continue to meet the skill needs of employers in the province of Ontario.

Mr. Marchese: By the way, McGuinty was very excited by all this. It must have helped him. It's a big deal.

Hon. Mr. Bentley: It's an excellent opportunity for the people in Ontario.

Mr. Marchese: So you would be giving these apprenticeship dollars to only those people who are connected to the network cabling, help desk analyst—what do they do, do you know?

Hon. Mr. Bentley: No, I don't, actually.

Mr. Marchese: And IT. Do you know what they do?

Hon. Mr. Bentley: No, I don't.

Mr. Marchese: OK. Well, we'll have an opportunity to come back. You'll be able to be briefed by Ms. Birkhead-Kirk.

The Vice-Chair: We have about three minutes left.

Mr. Marchese: Three minutes on that 28-minute round?

What we understand is that—based on my little note from my little researcher, by the way—this is a wonderful staff you have there. I love the way those sheets come forward; it's just so easy. Dell admits that it takes three weeks to train, not three years, in this case. Is that the case?

Hon. Mr. Bentley: I don't have that information.

Mr. Marchese: Ms. Birkhead-Kirk?

Hon. Mr. Bentley: She wouldn't know the specifics of the Dell program.

Mr. Marchese: She wouldn't know either, eh?

Here's the point I'm making: Dell admits that it takes three weeks to train them, not three years. So presumably Ms. Birkhead-Kirk and your political staff are working this out to make sure that they only get three weeks of apprenticeship dollars rather than three years. Is my understanding correct?

Hon. Mr. Bentley: The program requirements are outlined for all to see. It's a tax credit. It's there for the opportunities. I don't have the specifics of the agreement

in front of me. This is an opportunity to ensure that we provide an opportunity for individuals to get training they wouldn't otherwise get and for a company to establish and hire people they might not otherwise hire.

Mr. Marchese: I understand that, Minister. Could I get a commitment from you or your staff, in writing, that I have an undertaking that you will let me know whether the training of these people takes three weeks or three years, so that you and I have a good understanding of this particular issue?

Hon. Mr. Bentley: I don't know that I would want to undertake to tell you what another company is doing in the detail that you may—

Mr. Marchese: You are not interested in learning about this?

Hon. Mr. Bentley: An eligible trade qualifies for the apprenticeship training tax credit. If they are an eligible trade, then there is more training. If they're an eligible trade, there is a period of training that is outlined. It generally would be for a lot longer, I would think, than three weeks.

Mr. Marchese: So I can't get an undertaking from you to review, for me and you, that this training of these people will take three years, possibly, or one year or six months or three weeks?

Hon. Mr. Bentley: My understanding is that the training that is being done at Dell complies with the requirements of the apprenticeship tax credit.

Mr. Marchese: So you're not interested in working this out with me to find out how long this training actually takes and to put that in writing for me?

Hon. Mr. Bentley: I'm very interested in ensuring that the requirements that are contractually obligated have been met and that the apprenticeship training tax credit is being used for the purpose for which it was intended.

Mr. Marchese: Mr. Chair?

The Vice-Chair: You've got one minute left.

Mr. Marchese: You see, this is what I was interested in. When I was talking about oversight, I was not only concerned about the issue of the field staff, but I'm also concerned about your interest in making sure that we're spending public dollars—taxpayers' dollars, by the way—wisely. What you just told me is that these people apply as part of the agreement, and I'm asking you, could you get something in writing that says the training is actually three weeks or six months or three years, and you're saying, "I'm not interested in doing that," because they fit into the program, they'll get the money, and that's it.

Hon. Mr. Bentley: I'm very interested in ensuring that people's taxpayer money is appropriately spent. That's why the purpose of the Reaching Higher plan is to incorporate accountability agreements. No, I don't think I'm going to get into a process whereby we'll go through every single trade and every single possible agreement with the ministry that the ministry has, which are probably your follow-up questions. We will investigate those and determine what the training requirements actually are.

The Acting Chair (Mr. Wayne Arthurs): Your time has expired for this one.

Mr. O'Toole: It's limited to 10 minutes this time. Mr. Jackson is not here; he's out making an inquiry, so I may have to share some time with him. I am going back to the University of Ontario Institute of Technology, which is in my riding of Durham. It's just a wonderful facility for students from Durham region as well as beyond.

Part of the cost of university, or post-secondary—let's put it that way—is tuition. It's a very important and relevant discussion here today, and will be as you attend your meetings in Quebec City as well. You'd think, when you look at a university close to home—there are two sides, or maybe more than two, to every issue, but there are certainly accommodations. All five of my children went to different universities. I had talked, as part of financial planning, about buying a home in London, Ontario, for instance, because I had one go to Western; she was on the student body there. I would like to have bought a home there and use that to somehow accrue some equity on their behalf or my behalf or something. But they all went to different schools and you get into all kinds of different—trying to transfer between institutions. But having a university in Durham means a lot to parents of modest means, and that would certainly include me. More than half the cost is actually—I had one in Kingston. You have to pay for the whole year, and they're only there for a number of months of the year, although many of them like to stay there year-round or at least maintain their residence there, which is another expense. Having a university locally and distributed across is extremely important to offset the costs.

I go back to the article when Premier McGuinty was in Ottawa speaking at Carleton. Jesse Greener, the Ontario chairperson of the Canadian Federation of Students, said he was completely surprised by the announcement that there would be tuition increases. I know we're dwelling on that; I just want you to carry that to Quebec City. Parents—at some point in time, all of us are, and they're going to be students—have a certain amount of responsibility. I'd like to see more aggressive tax measures for incenting parents to save for post-secondary education. In fact, that's probably an important way of engaging the whole family, as this is a worthy and worthwhile investment. You said that accessibility is a big issue. Through tax measures, people of modest income should also have access. That's where indeed it has to be really focused. A student coming from a prosperous family isn't faced with the same challenge; those who don't maybe dismiss that opportunity.

I read an article in the paper today that many students are taking more than four years to finish their degree. I know people who have accelerated a four-year degree into three by taking summer courses; they became a four-year honours commerce grad in three years. But what happens when you extend the school time? I sometimes wonder why they don't make it easier for students who are capable to be more flexible, to finish a degree in three years as opposed to the mandatory phasing of it in four years. That lost year of income is another \$40,000 of lost

income. There are students from a range, personally and socially etc., who could probably handle it, so it would be saving them \$40,000.

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There are a lot of strategies here that need to be focused on. If we do what we've always done, we're going to get what we've always gotten, and that means student debt is growing because the student is expected to share a greater cost of the operating cost. What are those operating costs? Professors argue about class sizes, the same as they do through the whole system. That all comes down to faculty protecting their turf.

I need to put that on the record, because I think innovation and the transition between college and university programs are new ways of looking at it. The traditional universities, probably the big four or five, would be opposed to major changes for a lot of various reasons—an institutional kind of thinking, I think—but some of the more innovative universities need to be respected. I think the University of Ontario Institute of Technology is one of those. As Gary Polonsky leaves, probably they'll have a new president for both the college and the university, so there's another half a million dollars tossed out the window for administration, another half a million tossed out for a new office and an executive assistant and all that stuff. Really, this is about students. Quite honestly, they don't want to upset the faculty by saying that it's all numbers. In general, undergraduate programs—I remember having 200 and 300 in a lecture many, many years ago on certain courses, perhaps literature and courses like that.

One of the things the students asked me—on this I'm referring to Thomas Coughlan, who is the Durham College and UOIT student president. He said there's 3,100 students at UOIT with laptops and 5,900 students in Durham College with laptops—two thirds of all the students. It's a wired institution. I commend them for the innovation, because it involves e-learning, distance learning, picking up lab material, being able to interact with the prof or the tutorial leader, whatever. He tells me that the least cost is \$1,600 per year per student. That should be included in students' cost. It's not just the tuition fees. It's the rest, as has been mentioned, the books etc. that need to be part of that.

Now that Mr. Jackson's back, I'll expect your response and give Cam a couple of minutes. He hasn't had much time today. Really, he's had all of it, but—

Hon. Mr. Bentley: Do you want me to respond quickly? This year, for the first time, we recognized computer costs to the tune of \$500. They'd never been recognized before. We'll certainly take advice on how to improve the financial assistance system in the future.

Mr. O'Toole: Great. Thank you.

Mr. Cameron Jackson: Minister, in the very brief time left I want to read into the record a series of questions, which I'll then circulate.

I'm going to close with a concern I have, and that concern comes from having been a public school trustee for 10 years in the board and watching secondary education

in this province, consistently over the last 20 years, absorb more and more of the total dollar committed to education. This has been remarkably tracked. It has not helped the elementary system with its inequity. It hasn't helped the post-secondary system with those inequities. Without getting into the politics of the past, there were public policy decisions to try to right that. Personally, I want to tell you that I watched that very carefully. It's not just the per-pupil investment by students; it permeates all aspects of how we educate in a lifelong learning environment.

Really, I'm asking you to test the degree of sensitivity to this issue, because one of your responsibilities is to fight for post-secondary education at the table, and sometimes one of those fights is with the Minister of Education because it's part of the large education envelope. I'll give you a quick example. I was quite disturbed and concerned that the Minister of Children and Youth Services is funding an education program to sensitize teachers, teach them coping skills for children with autism. I simply say that I find it awkward and unusual that a children's ministry is moving dollars outside of its mandate to assist education. There's a graphic, clear example. It happens in far more subtle ways, and I'm concerned about that.

There is a growing trend among public school boards to continually grow and engage in adult education that sometimes seems to be pressed up against the mandate for colleges and universities. This trend has grown rather substantially. This trend has also created some unclear and fuzzy borders between issues that deal with federal training dollars, federal English-as-a-second-language dollars—a whole series of programs. We've watched school boards take monies that should be in the classroom for their elementary and secondary students, and we're seeing a diversion toward adult education.

I see community colleges, because we have so many of them and they are well-situated around the province—we could maybe geographically do a little better job, but truthfully, they've been well-positioned for growth and rural and northern issues. But I'm concerned that I'm seeing school boards feeling they have a huge opportunity to move in this area. When I see TVO being moved to education, when I see other ministries' budgets being moved into education—I'm not saying yours is—

The Vice-Chair: Mr. Jackson, you've run out of time.

Mr. Cameron Jackson: Have I run out of time? Then I need to put on the record—I think the minister gets where my commentary was taking me. I certainly will want to sit down with you at the next estimates, or if we're ever asked to debate the issue, but I want the Minister of Education and your Premier and you to see if you can't do a much better job of ensuring that our universities, our post-secondary institutions, are more directly engaged in these outcomes and that our secondary schools stay focused on SSGDs and so on and so forth.

The Vice-Chair: Thank you very much for that. Minister, at the end, you may have a chance to wrap up.

The Chair now recognizes the third party.

Mr. Marchese: Minister, just to remind you, the Ottawa Citizen, on the very issue I was talking about, Dell—it's in the business section, written by Andrew Mayeda. He says, "The province has generally included IT call centre workers in the apprenticeship plan, subsidizing their wages by allowing Dell to collect a tax credit of \$5,000 per employee for three years. The actual training period for all call centre workers is two to three weeks, Dell says." Any comment? Quick.

Hon. Mr. Bentley: No comment. I'll take a look at that. Thank you very much.

Mr. Marchese: I'm glad we have strong oversight on that active table.

I'm moving on to a few other matters, so I'm going to try to be quick.

I'm reading from another article around the issue of the deal that Martin and Layton made. It says, "The proposed deal includes \$1.6 billion for affordable housing construction, including aboriginal housing," and then it goes on to say, "a \$1.5-billion increase in transfers to provinces for tuition reduction and better training through EL." For your information, in Nova Scotia all three parties agreed with the three elements of this agreement that I pointed out. I just offer it to you in case you haven't had an opportunity, given the newness of your job, to review that agreement. I just put that on the record.

Now I want to get to faculty hiring. On May 12, 2005, the former MTCU minister, Mary Anne Chambers, said: "Students will have more interaction with professors and instructors, improving their overall post-secondary experience, through the addition of 3,300 new faculty members." Can we get details about what funds you have set aside to hire those 3,300 new faculty?

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Hon. Mr. Bentley: It's anticipated that the colleges and universities will be enhancing what would otherwise have been their hiring requirements over the course of the years through the increase in operating grants, and particularly the transformation funds. One of the reasons we're going to have these interim and, ultimately, we expect, long-term accountability agreements is to ensure that the additional money we're making available actually achieves equality improvements, including increased numbers of faculty.

Mr. Marchese: So you say you are enhancing what otherwise would be regular hiring. What does that enhancing constitute by way of numbers?

Hon. Mr. Bentley: We are working out the details of that at the moment. It will be, I think, a multi-part plan. To what extent details are included in the interim agreements or not is an interesting question. But certainly, with the longer-term agreements, one of the things we want to be sure of—

Mr. Marchese: You're going to have to be brief, because we're running out of time.

Hon. Mr. Bentley: We want more faculty in the future, so that will be in the agreement.

Mr. Marchese: Of course. Here is my problem: Often governments, Premiers and ministers make statements, and everybody believes these things are actually going to happen. When I ask you and you say, "Enhancing, but we're working out the numbers," I get nervous. I get concerned. When you make a statement boldly saying "We're hiring 3,300 more," but then when I ask you where they are, you say, "We're working out the details," it worries me. How many new faculty members did you hire last year, presumably based on this enhancement?

Hon. Mr. Bentley: I'll be interested to get the numbers.

Mr. Marchese: Your staff: Can she or he help me, or anyone else in the room?

Hon. Mr. Bentley: We don't have those at the moment. I'll be interested in finding out from the institutions: When they saw that there was additional funding in the budget, what decisions did they make for hiring additional faculty?

Mr. Marchese: All I'm asking is, last year, how many faculty members hired were additional to regular hiring? I'd like your staff to give me a number. We're talking about last year, not this year.

Hon. Mr. Bentley: I don't have that number.

Mr. Marchese: Does your staff? Would you like to ask them?

Hon. Mr. Bentley: We don't seem to have that number.

Mr. Marchese: Could we request that of your staff, minister? Can we get a commitment from your staff to give us that number at some appropriate time?

Hon. Mr. Bentley: I don't know how and in what way that might otherwise be available.

Mr. Marchese: I'm fascinated by those answers, because we're talking about past years.

Hon. Mr. Bentley: We have some overall numbers. You're talking about last year. We have a total number for 2002.

Mr. Marchese: Could I get your help to give me that number at some future date, whenever you like?

The Chair (Mr. Cameron Jackson): Excuse me for interrupting. Minister, it's extremely helpful that we allow the civil service to advise us in this regard. When you use the words "I'm not sure," it would be helpful if someone could come forward and advise us.

Mr. Marchese: It would be helpful, especially given that we're running out of time, but if it's going to take too long to confirm, Chair—

The Chair: No. We'll take the necessary time until this is done right.

Hon. Mr. Bentley: What we have are numbers up to 2002-03. Those are the numbers. Generally, the numbers would be provided by COU for universities with respect to the hiring, and we don't have those at the moment.

Mr. Marchese: So in terms of your commitments and your period in government, we have no numbers. Presumably, for this year we don't have any numbers either, because it's this year.

Hon. Mr. Bentley: We haven't received a whole range of numbers at the moment.

Mr. Marchese: Well, how long do you think it takes to get those numbers? Do you have a sense of that? Does your staff have a sense of that?

Hon. Mr. Bentley: Yes. During the accountability agreement process, during the regular report process that colleges and universities already have with the ministry, we'll be receiving a lot of information about the hiring they've otherwise done. That information isn't in our hands at the moment.

Mr. Marchese: I understand. My sense is that before you go to an election, we might get those numbers, but at this moment, we won't. It's interesting.

Hon. Mr. Bentley: No. I think the—

Mr. Marchese: No, Minister. I haven't got time. I have a few more questions to ask you.

Hon. Mr. Bentley: The accountability agreements will help you with that.

Mr. Marchese: Bob Rae estimated that 11,000 new faculty need to be hired by 2010-11. I'm assuming you agree with that.

Hon. Mr. Bentley: That was his advice, yes.

Mr. Marchese: Right; his advice. Whether you're committed to that number is something you can't—you have to talk to people, get advice and so on at the active table.

Hon. Mr. Bentley: Yes.

Mr. Marchese: If the government fully funded the BIUs, then universities would have the resources to hire more professors. Does the government intend to fully fund BIUs?

Hon. Mr. Bentley: What we've been talking to institutions about at the moment is the funding inequities that I'm told exist between various institutions for a number of reasons, one of which is that the funding mechanisms didn't always keep track of the number of students an institution was taking on. We're involved in a discussion right now. We are going to be addressing these funding inequities, and one of the things we're doing during the discussions about the accountability agreement is to work out how we address the various funding inequities that have been brought—

Mr. Marchese: Right. You talked about funding formula inequities between institutions, but the point I'm making is that each student is worth a different BIU, depending upon the program.

Hon. Mr. Bentley: Well, it depends on the institution; it depends on the program. There are in fact funding inequities between institutions, for various reasons that I'm told have arisen over the years. That's one of the challenges in working out these interim accountability agreements, that we're dealing with a lot of issues that have been bubbling for many years, and we're trying as quickly as we can to—

Mr. Marchese: Right. So your intent is to get rid of these inequities. Is that it?

Hon. Mr. Bentley: Our intent and our commitment is to address the inequities, and we are determining in what measure we are in a position to do that.

Mr. Marchese: OK. Is this issue on the active table?

Hon. Mr. Bentley: That's part of the discussions that we're having right now with the various institutions. In terms of—

Mr. Marchese: When can we hear from you in terms of a resolution on this matter? Do you have a timeline?

Hon. Mr. Bentley: That's part of the interim accountability discussion. I already advised the Chair that we expect to have that concluded by the end of the calendar year with respect to the interim accountability agreements.

Mr. Marchese: OK. When your government put together budget allocations, what was the plan for the faculty hiring?

Hon. Mr. Bentley: Budget allocations? Sorry, I'm not sure I understand the question. I wasn't around when we put together the budget. I'm dealing with the numbers. I expect that the substantial amounts we're going to be providing in increased operating to colleges and universities will enable them to hire—

Mr. Marchese: So your staff have no numbers in terms of the what the allocation for faculty hiring was last year or this year? We don't have that?

Hon. Mr. Bentley: What we're doing is providing operating dollars to institutions, as we've traditionally done, and out of that, they hire faculty or provide additional student resources or library services or otherwise run the institution. One of the things we will accomplish with the accountability agreements is to make sure that the additional monies actually result in specific increases, for example, in additional faculty, additional student interaction with faculty, additional resources. That's the reason we're going to have interim and longer-term accountability agreements.

Mr. Marchese: When the former minister, Mary Anne Chambers, said—and I know you can't speak for her, but this is what she said: "Students will have more interaction with professors and instructors, improving their overall post-secondary experience, through the addition of 3,300 new faculty members," how could she say that, based on all that you're saying?

Hon. Mr. Bentley: You know what? She was here for many more months than I, and I'm sure she has the—they had outlined what would be possible with the post-secondary education transformation money. I suspect that's the goal that we will be driving toward, and the accountability agreements will be to make sure that the money we're investing actually results in extra faculty hiring.

Mr. Marchese: OK.

The Chair: Mr. Marchese, do you have those in a printed form, or would you be comfortable submitting them—

Mr. Marchese: Two more questions.

The Chair: If you'd like to just put them on the record, that would be helpful to the committee.

Mr. Marchese: The current student-faculty ratio is 24 to 1. It's the worst in Canada. What student-faculty ratio are you planning to move toward? Has your ministry done any research on this issue, and if so, can you share that documentation?

Do you think he has time to answer that? It's the last question.

The Chair: I think you'll get one in writing, which is infinitely preferable. Yes, we will. I suspect that when this committee reports to the House about one of the ministers, who has taken a year to respond, there won't be a problem getting written responses. I've no evidence that this ministry is going to do anything but respond to us.

Are there any other questions that members wish to get on the record? I indicated that I have a series of 23 questions here. If there is unanimous consent not to read those into the record, then that will be acknowledged and will form part of the estimates. We will be pleased to hand that over to the minister and his assistant deputies and that will form part of the responses. No problem, so it's unanimous. Then I won't sit here and read through 23 questions.

Mr. Marchese: It would be nice, normally, to hear them.

The Chair: I know it would be.

Mr. Marchese: I'd hate to have to, at the last moment, put those questions to this group now. Normally, it would be appropriate to hear them, but I'm prepared to go ahead.

The Chair: You will get a copy and you will get the benefit—this is not like an order paper question. This will go to every member of the committee. So we're asking for this as a committee, and that's the spirit in which it's presented. When there is a non-response, it's a non-response to all of us.

We have sufficiently covered this ministry in the time and, by agreement, we will now call the votes. That is understood by everyone.

Shall vote—I apologize. Minister, would you like to take 60 seconds for a wrap-up? It's something that I do out of courtesy, but we're racing to be completed today so you can get on a plane and do great work for us in Quebec City.

Hon. Mr. Bentley: Thank you very much for your time and consideration.

The Chair: Thank you very much, Minister, and to all your staff, who have been most helpful. We'll proceed now with the vote.

Shall vote 3001 carry? All those in favour? Opposed, if any? That is carried.

Shall vote 3002 carry? All those in favour? Opposed, if any? That is carried.

Shall vote 3003 carry? All those in favour? Opposed, if any? That is carried.

Shall the estimates of the Ministry of Training, Colleges and Universities carry? All those in favour? Opposed, if any? That is deemed carried.

Shall I report the estimates of the Ministry of Training, Colleges and Universities to the House? All those in favour? Opposed, if any? Then it is carried.

We're meeting with the estimates of the Ministry of Citizenship and Immigration. We will reconvene tomorrow morning at 9 a.m. This meeting is adjourned.

The committee adjourned at 1602.

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Journal des débats (Hansard)

Mercredi 5 octobre 2005



Standing committee on estimates

Ministry of Citizenship
and Immigration

Ontario Women's Directorate

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LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
ESTIMATESCOMITÉ PERMANENT DES
BUDGETS DES DÉPENSES

Wednesday 5 October 2005

Mercredi 5 octobre 2005

*The committee met at 0904 in room 151.*MINISTRY OF CITIZENSHIP
AND IMMIGRATION

The Chair (Mr. Cameron Jackson): I'd like to call to order the standing committee on estimates. We are now convening to do seven and a half hours—

Mr. Rosario Marchese (Trinity-Spadina): After your comments—

The Chair: You'll let me start the hearings, won't you, Mr. Marchese?

Mr. Marchese: Of course. I wouldn't deprive you of that luxury.

The Chair: Thank you. I know you're excited about lunch, but we'll get to you by lunch.

From the Ministry of Citizenship and Immigration, I'm pleased to welcome the Honourable Mike Colle and Joan Andrew, his deputy minister. We're going to do seven and a half hours. As this committee is aware, there is a bit of an anomaly with the estimates and the way they are packaged. Within the estimates that we will be called upon to vote on at the end of our seven and a half hours for the Ministry of Citizenship and Immigration is included the office for seniors and the office for women's issues. It's my understanding that both of those ministers are available on standby for this afternoon, should they be needed, and we appreciate that accommodation. I recognize that some of their senior staff are present in the room, if they are needed in the absence of the minister.

With that direction, if there are no questions, I know Mr. Marchese is so excited about discussing lunch today.

Mr. Marchese: Not excited, but with your indulgence, I would ask for unanimous consent for us to take, instead of a half-hour at 12 o'clock, an hour, because I've got a few commitments and that half-hour will simply not do it. Is that OK with the members?

The Chair: There are no problems with any of the members. Tomorrow we have approximately an hour remaining, so we'll have an hour and a half tomorrow to make up that half-hour tomorrow. So are there no problems with that?

Mr. Phil McNeely (Ottawa-Orléans): I just wish to add that in addition to women's issues, ADO is in there as well.

The Chair: OK. Thank you for that clarification. Are there any other questions? We've asked for unanimous

consent. Is there any objection? Seeing none, then we will recess at 12 o'clock and reconvene at 1 o'clock.

Now that we have the committee's business out of the way, Minister, welcome. You have up to 30 minutes for your opening statement. We're in your hands.

Hon. Mike Colle (Minister of Citizenship and Immigration): Thank you, Mr. Chairman. It's nice to be here, members of the committee.

Mr. John O'Toole (Durham): Congratulations.

Hon. Mr. Colle: Thank you, Mr. O'Toole. I will begin.

I'm honoured to present the estimates of the Ontario Ministry of Citizenship and Immigration for the year 2005-06. As you know, I have been the minister for just a few short months. Already, I have been impressed by the talent and dedication of our staff and our many community partners. It is truly a privilege to work with these exceptional people to help build a better Ontario. To my right here, I have my deputy minister, Joan Andrew. She's certainly well-versed in many of these areas and she will be available to support any questions that you have.

This ministry includes the citizenship and immigration division, as well as the Ontario Women's Directorate and the Ontario Seniors' Secretariat. My remarks will centre on my portfolio—citizenship and immigration—and also provide an overview of the two other areas.

My colleagues Minister Papatello, the minister responsible for women's issues, and Mr. Bradley, the minister responsible for seniors, will be here to respond to your comments and questions about their portfolios later in the proceedings.

Until the government reorganization this summer, this ministry also included the Accessibility Directorate of Ontario, which is now part of the Ministry of Community and Social Services. I will give an introduction to the accessibility file, which, I might add, matters deeply to this government. Minister Papatello, the Minister of Community and Social Services, will respond to the questions when she appears before you.

In addition, this ministry delivers regional and corporate services that support not only MCI programs but also those of some other ministries. I'll have a few words about these too. So we'll be touching on quite a few different topics during these proceedings. I'm looking forward to your comments and constructive debate and discussion.

Our vision: Our vision as a ministry is an Ontario where everyone participates, enjoys the social and economic benefits of life in this wonderful province and makes a contribution to the community. To achieve this vision, we work to maximize the social and economic benefits of immigration, build stronger communities by increasing civic involvement, break the cycle of violence against women, promote healthy aging for seniors and plan for the impact of an aging population.

Our government has a plan to strengthen our province by strengthening our most important competitive advantage—our people. It's a plan to strengthen the education and skills of our people, improve their health and invest in their prosperity. In the 21st century, the best jobs and the most investment will go to places with the best-educated and most highly skilled workforce. Immigration is a vital source of the skills and talents we need.

That's why, on June 29, the Premier gave the Ministry of Citizenship and Immigration a stronger, more focused mandate. As the new minister, it is my job to ensure that Ontario leads the international competition for the world's best, brightest and willing workers, and does all it can to settle Canadians and integrate them into our society and economy.

0910

Of course, Canada has traditionally benefited from immigration. In fact, more than one in four Canadians, including one in four Ontarians, were born outside of Canada. Amazingly, 44% of Torontonians are foreign-born. We are a country and a province of immigrants.

We can all think of success stories of immigrants who came to Canada with little or nothing but a couple of suitcases and \$20 in their pockets, yet they've made a huge contribution to Canadian life and Ontario life. Immigrants have been indispensable in building the wonderful province we enjoy. Immigration has made Ontario one of the most diverse societies in the world. Without a doubt, people are our greatest asset, and the diversity of our people is one of our greatest strengths.

Today, more than half of all immigrants to Canada settle within Ontario's border, more than 125,000 newcomers a year. That's almost like a population the size of Prince Edward Island arriving on our doorstep every 12 months in Ontario, about 2,400 people per week. We've got people here from about 170 countries, who speak more than 300 different languages, and they understand every culture and have ties with almost every market. Our diversity makes us strong and makes us competitive. It is our gateway to talent, to potential, to a global presence and to making Ontario the place to be for years to come.

So if we have long benefited from immigration and diversity and it is an enormous strength, why have immigration issues taken on such urgency lately? Why does the Ontario Ministry of Citizenship and Immigration need a new mandate?

As I see it, there are two big trends behind the new urgency. One is demographic. Our birth rate is relatively low and the baby boom generation is approaching re-

tirement—an aging workforce. These facts of life mean we must look increasingly to immigration if we're to keep our workforce growing. Immigrants now represent 70% of the net labour market growth in Ontario, and five years from now they're projected to account for all net new growth in the labour force.

A second trend is the increasing sophistication of today's economy. We have a knowledge economy now, one that places a premium on brains rather than brawn. Immigrants offer the right skills for this new reality. Nearly three in four adult immigrants to Ontario are highly skilled and have at least some post-secondary education or training. I think about 70% of them have some kind of post-secondary education or training.

Ontario businesses understand this, as the Canadian Federation of Independent Business reports, "Nearly 50% of small firms experiencing shortages of qualified labour are tapping into every source of talent, including hiring newcomers to Ontario who bring unique skills and experience to the workplace."

The bottom line is that we need immigrants because the know-how of a skilled workforce is the competitive advantage of the 21st century. But another reality is that we can no longer take immigration for granted. Other advanced countries face the same demographic projections that we do, and they have reached the same conclusion: Immigration is an economic imperative. They are actively competing to recruit new immigrants. I saw yesterday where the province of Alberta has undertaken an aggressive plan to recruit new immigrants for their workforce.

This is competition. We have to compete aggressively and win if we're to keep our people and our economy strong. I believe the best way to win is to keep skilled immigrants coming, to ensure that Ontario is a true land of opportunity, and to make sure Ontario's newcomers have every opportunity to succeed and build a better life for themselves and their families. That is a priority for our government.

As minister, my purpose is clear: to make sure that Ontario's newcomers get off to the best start possible. We know that, the better newcomers do, the better off we are as a province. When they succeed, Ontario succeeds. It's simple. That's why we're helping skilled immigrants overcome barriers, and helping newcomers with their language skills, Canadian work experience and recognition of their academic credentials will help them get off to a better start.

The federal-provincial agreement: That's why Premier McGuinty has put funding for settlement programs in the forefront of his campaign to close the \$23-billion gap with the federal government; \$23 billion is the difference between what Ontario sends to Ottawa in revenue and what they get back in services.

Last May, the Premier fought successfully to secure a fair share for Ontario's newcomers. The deal reached by the Prime Minister and the Premier will quadruple the amount Ottawa spends in Ontario for immigrant services over the next five years, from a total of about \$819 that

they invest in newcomer services at the present time to an eventual level of \$3,400 per newcomer annually. Ontario and federal officials have been negotiating the legal agreement supporting the increased federal investment to help immigrants get off to a good start. Ontario's goal in these negotiations is to see that this fair funding makes a real difference for the newcomers.

Soon I expect to become the first Ontario citizenship minister ever to sign an immigration agreement with the federal government. This will be a day of celebration, for as I've been saying, immigration has never been more important to our future. In today's knowledge economy, people are our most valuable asset. It's our skilled and diverse workforce that gives us an edge.

While both the federal and provincial governments offer some similar services or complement each other's services, there are differences in what we do. The federal government determines who comes and who stays in the country and provides some initial settlement services. The provincial government focuses on settlement and training. We want to help people understand Canadian traditions and laws and help them participate fully in our society and in our economy.

At the provincial level, we are stepping up the effort to capitalize on our diversity and realize the potential of our people. The challenge for our government is making sure that newcomers have access to language, job training and other programs they need in order to do well in Ontario. To help accomplish this, some immigration-related programs previously offered through other ministries are being consolidated within my Ministry of Citizenship and Immigration. For example, the access to professions and trades group has recently joined the ministry. Its goal is to remove barriers that keep internationally trained people from entering their fields in Ontario. My ministry is also assuming responsibility for adult English as a second language and French as a second language training.

By grouping related programs together, we are taking a new approach to immigration services. We are strengthening our settlement and integration support for newcomers so they can quickly begin contributing socially and economically to our province, and we are bringing a new intensity and focus to breaking down the barriers that prevent newcomers from reaching their full potential.

The Ontario government is playing a more active, enhanced role in helping newcomers by providing settlement, language training and labour market programs for immigrants. For example, in 2005-06, we are committing \$4.1 million to 79 community-based agencies across the province through the newcomer settlement program. These funds help non-profit community organizations to provide settlement, orientation, job-finding workshops and other services to tens of thousands of newcomers each and every year. As Mario Calla, the executive director of COSTI immigrant services, said in the news release that announced this funding, "With the support of the Ontario government, we are able to help newcomers

settle quickly and begin their new lives in our communities."

The ministry is also investing more than \$2 million this year on language interpreter services for newcomers. We are breaking down language barriers to provide non-English-speaking victims of domestic violence with access to the services they need. The language interpreter services program is the only one of its kind in Canada.

In Ontario, we embrace diversity. We are helping people reach their goals and build better lives for themselves and their families. We are building on our long-standing tradition of welcoming newcomers from around the globe by creating opportunities and helping immigrants prosper in their new home. By strengthening our people, we are strengthening our economy and our communities. We are making Ontario the place to be now and for a long time in the future.

Now let me turn to a second aspect of our mandate: our mission to strengthen Ontario communities by fostering civic involvement and promoting responsible citizenship. The ministry encourages more Ontarians, including youth, to volunteer, and we recognize individuals who have made extraordinary contributions to Ontario life.

Volunteerism is citizenship in action, and the volunteer sector is one of the pillars of Ontario society. Volunteers bring a special brand of caring. They are committed, hard-working individuals who make a remarkable personal investment in the communities they serve. Our annual Volunteer Service Awards honour volunteers' indispensable contributions. They recognize five, 10, up to 40 years, and 50-plus years of continuous service to a single organization. Youth are recognized for two or more years of service. All award winners are truly modern-day, unsung heroes.

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This year the theme of the program is "Volunteers Build Communities." We are saluting more than 8,000 volunteers in 39 ceremonies across the province. As well, we are presenting 17 Outstanding Achievement Awards for volunteerism to individuals, groups or businesses for superlative contributions to the volunteer sector. A selection committee consisting of community representatives chooses the recipients annually. In all, more than 2.3 million Ontario residents serve their neighbours and strengthen their communities by volunteering time, and that time is valued at almost \$6 billion a year, the equivalent of more than 200,000 full-time jobs. What they do is strengthen the fabric of Ontario's society, right down to the streets, right down to the neighbourhood.

We need to energize more volunteers, especially our newcomers and our youth. We have to find more ways to get people of all ages interested and involved. The ministry is committed to work with partners in the volunteer sector to do this. Our priority is to strengthen volunteer organizations themselves. For example, many groups want to make better use of Internet technology. So the ministry has gathered a range of tools, resources and best practices from more than 60 Internet projects funded by an earlier program, and we are sharing them

via the ministry Web site. Within government, the ministry has developed and leads a successful community of practice, bringing together provincial ministries and agencies that deal with the volunteer sector to look at common issues, such as liability insurance for non-profits.

Another priority is to place more emphasis on young volunteers. We're working with partners on strategies like promoting the value of volunteering through school-based programming, examining more formal community placement initiatives and helping the volunteer sector to effectively engage youth in their work. We'll continue to recognize the contributions of youth to their communities through such programs as the Lincoln Alexander Award for youth working to eliminate racial discrimination and the Lieutenant Governor's Community Volunteer Awards for students, as well as the annual Volunteer Service Awards and the Medal for Young Volunteers. Our goal in working with youth is to foster a commitment to volunteer service that will last a lifetime.

The ministry also organizes annual awards programs that recognize outstanding professional contributions to Ontario. The Order of Ontario, for example, honours those who have enriched the lives of others by attaining the highest standards of excellence and achievement in their respective fields. Last month, 29 awards were presented at an inspiring ceremony, bringing to over 400 the number of recipients since 1987, when the honour was first bestowed. The Volunteer Service Awards, the Order of Ontario and other awards programs encourage responsible citizenship by publicly saluting those who have made exceptional contributions to the common good.

Now I'd like to talk about one of the most significant achievements of the ministry over the past couple of years: the development of strong and effective legislation for Ontarians with disabilities. As you know, the landmark Accessibility for Ontarians with Disabilities Act, 2005, legislation that will break down barriers for people with disabilities, was passed unanimously during the spring session and is now law. Under the act, accessibility will be achieved by developing and enforcing standards concerning goods, services, accommodation, facilities, buildings and employment. Improvements will be phased in, in stages of five years or less, moving toward an accessible Ontario in 20 years.

Accessibility standards will be established in both the public and private sectors to address the full range of disabilities, including physical, sensory, hearing, mental health, developmental and learning disabilities. These standards will be developed collaboratively. Representatives from the provincial government, industries or sectors, and people with disabilities will form committees to develop standards in each sector. The committees will submit proposed standards to the government for adoption as regulations. The standards will include timelines for compliance, and the legislation provides tough penalties for violators.

Members on all sides of the House agree that providing accessibility is fundamental to reach the full economic, social, cultural and human potential of our province. Our government will now move forward to implement this historic legislation and will make Ontario a world leader in improving accessibility for people with disabilities.

Next, I'd like to speak briefly about the role of the Ontario Women's Directorate. Last December, Premier McGuinty and Minister Papatello announced our government's comprehensive domestic violence action plan, a plan that encompasses 13 ministries. This plan will help prevent abuse before it happens and get women and children the support they need when it does happen. Our government is investing \$66 million over four years across ministries to enhance existing domestic violence programs and services and implement new initiatives.

The Ontario Women's Directorate, which had lead responsibility for coordinating the development of the action plan, is now coordinating and monitoring implementation across the government. I know that Minister Papatello would be happy to tell you more about some of the exciting components of this plan, such as the public education campaign aimed at boys and girls aged eight to 14 to promote healthy relationships.

I am pleased to tell you today that since the launch of the domestic violence action plan, we have implemented a number of important initiatives. We have increased funding to sexual assault centres for the first time in 13 years by investing \$1.9 million, bringing our total to \$12.5 million annually. This funding goes to 36 centres in 29 communities across the province. The increase also achieves equal funding for francophone centres and improves access to French-language support services.

We have invested an additional \$2.5 million in critical counselling services for hundreds of women and children who are victims of abuse. The funding builds on an existing \$22-million investment in counselling programs and is earmarked for shelters, second-stage housing providers, transitional housing support program providers and women's counselling agencies.

We have invested \$4.6 million to help mobilize communities to address violence against women. The funding covers 28 initiatives over three years. Half of these initiatives will target both children and youth, as well as the adults who influence them, and will deliver positive messages through everything from video games to workshops to tool kits to new materials for the classroom.

The other 14 initiatives will result in training for professionals to intervene earlier when they spot the signs of abuse. As Ontario's Minister of Citizenship and Immigration, as previously mentioned, I am particularly pleased that this action plan includes support for organizations that provide spoken-language interpretative services to victims of domestic violence who have limited proficiency in English.

Our \$1.9-million investment for this year will help victims of domestic violence gain better access to

shelters, legal and social services, health care and the domestic violence court system. We are also investing in a new, province-wide certificate program for spoken-language interpreters to be offered by community colleges. Our funding will be used to develop a curriculum that will set the standard for the skills that interpreters need to serve their clients well.

The final action plan initiative I'd like to talk about is the conference on domestic violence being held in Toronto this coming November, from the 28th to 30th. The conference is titled *Finding Common Ground*, and the theme is "Working Together to Reduce Domestic Violence." More than 70 speakers are booked to discuss innovative programs in addressing violence against women, from prevention to intervention to healing. The conference will feature a keynote address from Gloria Steinem, as well as speeches from both Minister Pupa-tello and Premier McGuinty.

As Premier McGuinty has said, women can't build the lives they deserve when they live with the threat of violence or the reality of physical and emotional abuse, and children can't reach their full potential when they fear what happens in their own homes.

We will not rest while this scourge of domestic violence remains in our communities.

Next on my list is the Ontario Seniors' Secretariat. The secretariat is helping Ontario get ready for the doubling of our senior population in the next 25 years. It has a mandate to undertake or support policy initiatives to improve seniors' quality of life and public education efforts for and about Ontario seniors. Partnership is crucial to the secretariat's work. It maintains a close working relationship with Ontario's nine largest seniors' organizations and works with them on both policy and public education activities. In the current year, the secretariat is continuing to plan for the impacts of an aging population and helping to educate seniors about healthy aging and the programs and services to which they are entitled.

Our priority is to expand the collaborative seniors' portal network, which brings together information and services from all three levels of government and makes them accessible through a single on-line gateway. That makes it much easier for seniors to find the supports they need to stay independent.

0930

Regional services: Our front-line staff are found in communities across Ontario. The regional services branch delivers programs and services not only for citizenship and immigration, but also for three other ministries: tourism, culture and, on an interim basis, the sport and recreation branch of health promotion. In all, there are 22 regional offices co-located with other ministries around the province.

Our regional staff deliver programs to community organizations and tourism businesses, provide advice to client organizations in such areas as improving management and leadership skills and forming partnerships, provide consultation to potential applicants for various

government funding programs and build and foster relationships among sector stakeholders. The branch also processes approximately 2,000 grant applications for its client ministries worth \$60 million annually.

Here are a few examples of the positive impact that our regional staff are having in their communities. As part of the process of developing the new accessibility legislation, regional offices hosted community consultations and stakeholder information sessions to provide opportunities for public input; regional services worked with the Seniors' Secretariat to plan and organize seniors' information fairs across the province to educate seniors about healthy lifestyles and profile government resources and services; regional staff are active members of advisory committees and working groups that have planned and coordinated five municipal cultural planning forums across the province this year; our regional staff assisted in the development, piloting and launch of Tourism Inc., an interactive series of professional development and training sessions for tourism operators and service providers stressing a visitor-first approach; and they've facilitated projects that received communities in action fund grants, including Get Active Owen Sound, a local plan that includes social marketing strategies to increase physical activity rates. All in all, our regional services staff help make Ontario a great place to live and work by providing advice and support to a vast array of community stakeholder organizations.

Corporate services. Finally, I want to mention another area that supports the same group of ministries as regional services. I'm referring to the various corporate services that underpin all of our programs. They include financial and administrative services, technology and business solutions, legal services and human resources. These units are striving to ensure an efficient provision of corporate services through modern controllership, participating in supporting government-wide horizontal reviews on service integration and information technology, and to pursue strategies to increase effectiveness and contain costs.

To recap, the ministry is working to capitalize on Ontario's diversity by increasing newcomers' access to settlement services and helping immigrants participate in the labour force to their full potential; promoting responsible citizenship by nurturing the volunteer spirit and celebrating extraordinary contributions to life in the province; bringing closer the day when all women and children live without fear and violence in their homes; and creating knowledgeable seniors armed with the information they need for healthy aging.

These are goals the ministry cannot achieve on its own. We can make progress only through partnership. As Ontario's relatively new Minister of Citizenship and Immigration, I look forward to working with the province's diverse communities and to meeting the challenges we face. Together, we can build an Ontario that's the envy of the world. Thank you very much.

The Chair: Thank you, Minister. We'll now recognize Mr. Klees for up to 30 minutes.

Mr. Frank Klees (Oak Ridges): Thank you, Mr. Chair. I'd like to start off by congratulating the minister on his appointment. We haven't had an opportunity to formally do that. I'm sure that as an immigrant himself, it is an assignment that he takes on gladly. I think all of us here share in many ways the objectives of his ministry as he has articulated them this morning.

I don't think there's a member here who would take exception with, first of all, the importance of immigration to Canada and to this province. I think that the objective of the government to assist immigrants in settlement, the objective of assisting foreign-trained professionals—whether it's a medical doctor or other trades or professions, it's important that we assist those who have made the decision to come to this country, to this province, to become integrated.

With regard to a number of the other programs that the ministry is undertaking, again, in intent and purpose, I'm one who will certainly do what I can to assist and to ensure that we achieve those objectives on behalf of the people they're intended to help.

Rather than taking any more time in a general nature, Mr. Chair, with your permission, I'd like to just go directly to some specific questions for the minister.

I'd like to start off, Minister, just by looking at the overall budget of your ministry, and I'd like your opinion. At first glance, we look at ministry spending, and we have a ministry administration line of some \$18,243,746 in terms of your budget. The overall budget for the entire ministry is put at some \$63 million. Minister, I'd like your assessment of the ratio of administrative costs in your ministry to actual front-line services. You referred, for example, to regional services, where all of the front-line people are and where services are actually delivered. That is some \$6,730,000. Your comments, please, regarding what appears to be an incredibly high ratio of administrative dollars being spent in your ministry.

Hon. Mr. Colle: Thank you very much, Mr. Klees. I just want to say that I know you come from the same roots that I do, from another country. I know that you care deeply about improving the potential for our newcomers, and I hope to work together with you in achieving that same goal.

In terms of your question about administrative costs, the way this ministry is structured, the ministry has corporate responsibilities that have remained with this ministry. So we provide corporate support for other ministries. We provide corporate support for the Ministry of Tourism, the ministry of francophone affairs and also for the Ministry of Culture. That's why it seems that the corporate expenditures are, let's say, a bit significant, because of those services we provide, plus the services we provide to those regional offices. That's why the numbers are there.

Mr. Klees: Could you articulate for us, then, what percentage, or in real figures—I imagine that if you don't have it, the deputy does—how much of that ministry administration would be allocated to those three minis-

tries that you mentioned: tourism, francophone affairs and culture?

Hon. Mr. Colle: Maybe I'll let the deputy answer that.

Ms. Joan Andrew: I'm Joan Andrew, the deputy minister. The total divisional budget for ministry administration is about \$14.3 million, and the total budgets for the ministries it serves is about \$712 million. So the administration represents approximately 2% of the total budgets of the ministries it serves.

The Chair: Excuse me, Deputy. I'm told by electronic Hansard that they're not quite picking you up. If you could speak either a little more directly or a little louder, it would be helpful. Thank you very much.

Ms. Andrew: The ministry administration is located in our ministry and reflected in our ministry estimates, but it serves the Ministry of Culture, the Ministry of Tourism, and, on a temporary basis, the Ministry of Health Promotion because of the recreation and sport programs moved there, and the Office of Francophone Affairs. So the total budgets of the ministries that it supports is about \$712 million, \$713 million, and its budget is about \$14.3 million. So the overall administration is about 2% of the total budget of the ministries it supports, but it's located in our estimates.

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Mr. Klees: So, to clarify—I'm trying to understand this. I don't know how you get to the 2%. Are you saying that of the total administrative budget, about 2% is allocated for these other ministries that the minister referred to?

Ms. Andrew: No. Sorry, I guess I haven't explained it well.

The total ministry budgets, of all the ministries that that unit supports, is about \$713 million, and its budget is about \$14 million. What I was trying to say was that the total administrative budget, measured across the budgets of the ministries it supports, is about 2% of their total budget.

Mr. Klees: And what percentage of the Ministry of Citizenship and Immigration would then be allocated for administration, if you segregate that?

Ms. Andrew: The costs haven't been segregated. I can see if we can segregate those costs and get back to you. But, if I can say it this way, we have an integrated legal services department; we have an integrated IT department. I don't think we've done the cost accounting to attribute them across the piece. People are moved as projects come up.

Mr. Klees: I would think that the minister himself would probably be interested in getting that information. It was always a frustration for me, trying to get those numbers. When you start to lump a number of ministries together, it's very easy to lose focus in terms of what my ministry or the minister's ministry is actually spending on administration.

I think one of the first questions that the minister, that the government, should have is, how effective are we in terms of the total dollars that are being allocated to our

ministry, and how much of it is actually going to the front-line services that that division of the ministry is trying to achieve? I would make that request to have those numbers broken out so that we can get a better picture of exactly what that ratio is.

Hon. Mr. Colle: Mr. Klees, if I could elaborate, because those are the questions I asked when I looked at the ministry numbers: In essence, the attempt is to get greater efficiencies in coordination. Rather than replicating HR and IT support in every ministry, there's been a consolidation to in essence use our tax dollars better. That's something that I think was carried over from the last government, where it was thought to be more effective to combine them under one roof and provide these services to four different ministries. There's a saving in the long run in doing that. That's essentially the rationale behind it.

Mr. Klees: I've heard that explanation myself, Minister, and my concern is that if that is the objective, then we should also be able to identify that that in fact is what's happening. All too often, under the guise of structure to achieve efficiency, sometimes we lose it. I want to be sure that that is not happening here and that you as minister have a full understanding that when you're asked the question in your own ministry, "What is the ratio of administration to actual services delivered?" you have a ready answer for it. I think your staff should be able to deliver that to you. I'd like to move on.

You stated that your ministry mandate states that your ministry has the lead responsibility for accessibility. I understand that there's a shift to community and social services in terms of responsibility for the Ontarians with Disabilities Act. However, there is an allocation in your budget of \$3 million, if I read this correctly, for funding to support the ODA. Is that correct?

Hon. Mr. Colle: I think that those issues relating to support for the accessibility file are going to be answered by Minister Papatello.

The Chair: If I might, there are staff here from the secretariats if you have questions. I see the senior civil servant responsible for the act is present with us.

Mr. Klees: I do have a certain flow to my questions. If we could just get that issue dealt with, I would appreciate that, if there's someone here who can just confirm that in this budget there is \$3 million allocated in support of ODA.

Ms. Andrew: Katherine Hewson can come. Just as an explanation, the budget for the Accessibility for Ontarians with Disabilities Act is in our estimates, but the responsibility for the programs was transferred in the June government reorganization to the Ministry of Community and Social Services. So Minister Papatello has responsibility for it, and the estimates for next year will reflect the movement of that. But with the transfers happening after the estimates were established, the budget does remain with us for this year.

Mr. Klees: OK, and you'll confirm that. I will certainly follow this up with Minister Papatello this afternoon, but can you, just in broad terms, tell me what that

\$3 million is going to support, and are there other line items in community and social services, then, in support of the same program?

Ms. Katherine Hewson: I'm Katherine Hewson. I'm acting assistant deputy minister in the citizenship and immigration division of the Ministry of Citizenship and Immigration. I'm actually not responsible for the Accessibility for Ontarians with Disabilities Act, as a result of the transfer to the Ministry of Community and Social Services, so I can really only say a little bit about the \$3 million. I think that perhaps your question would be better dealt with by Minister Papatello and her staff later on today.

The \$3 million is an increment to the existing budget of the Ontario Ministry of Citizenship and Immigration. It is for services that would be needed to support the implementation of the Accessibility for Ontarians with Disabilities Act. I think that Minister Papatello and her staff would probably be in a better position to tell you how they intend to use that money.

Mr. Klees: Very good. I'll follow that up this afternoon, then.

Back, then, Minister, to matters that are directly under your responsibility: I want to just follow up on this agreement that I believe you indicated in your statement this morning is imminent. Your predecessor had signed a letter of intent. There are some financial commitments that have been made by the federal government as a result of meetings with the Premier. Specifically, can you give us an idea of just what "imminent" means to you in terms of having that celebratory signing of this agreement? How imminent is it, really?

Hon. Mr. Colle: As you know, Mr. Klees, the Premier was very aggressive in his campaign to get fairness for Ontario in putting front and centre the need for the federal government to invest more in our newcomers and in their settlement services. That's why, over and over again, he talked about the fact that a newcomer who came to Ontario was only getting \$819 invested in their settlement and immigration services, yet if a newcomer went to Quebec, the federal government invested \$3,800. The Premier was emphatic in saying that that was not fair. I'm happy to say that I think Prime Minister Martin got the message, and back in May, there was a memorandum agreed to where that disparity would be dealt with and funding for Ontario newcomers would be quadrupled as a result of this memorandum being signed.

Over the last number of months, federal officials in various ministries, along with my ministry and others—Minister Bountrogianni in intergovernmental affairs, the Premier's office—have been working with due diligence and deliberate focus. All I can say at this point is that I am very optimistic and positive. We are very close, to the point where, as I said in my comments, I hope to be the first Minister of Citizenship and Immigration of Ontario to sign an agreement between the province and the federal government. I can't give you the exact date, but again, I am very optimistic that it's very close.

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Mr. Klees: Minister, you've taken about five minutes to tell me that you can't be any more specific, and I appreciate that. I was hoping you might be.

Minister Volpe has indicated on a number of occasions that he has a plan for increasing immigration by 100,000 a year up to 2010. Have you met with Minister Volpe on this issue?

Hon. Mr. Colle: Yes, I have. I have met with the minister one-on-one. We've also had interprovincial conferences that dealt with this issue. Mr Volpe, I think, recognizes that Ontario needs this enhanced investment for newcomers to succeed. I think we both agree that it will benefit the same constituents we serve locally and provincially if this agreement comes to be. Again, he is very positive, and I'm looking forward to signing the agreement with Mr. Volpe.

Mr. Klees: Thank you, Minister. So you support the increase in immigration by 100,000 per year, according to the Volpe plan, yes? I really would prefer to just get kind of concise answers as we move forward. I have a number of questions.

Hon. Mr. Colle: OK, but sometimes the answer requires a few more words than—

Mr. Klees: Actually, this is quite simple: yes or no?

Hon. Mr. Colle: Again, the report about the increased allocation of immigrants allowed into Canada is a report—my understanding of it is that it has not gone to cabinet; it hasn't been decided upon.

As you know, we as a province are very positive about new immigrants coming, and we need them. But as a province, we're also very realistic. We're saying that we require investment in those newcomers and we need that kind of investment to come with the newcomers, and that's something we've been very emphatic about in our negotiations. That's why we pressed for the quadrupling of investment in Ontario newcomers.

Mr. Klees: I'm going to assume, Minister, that you agree with the 100,000-per-year increase and also that Ontario, which typically gets 50% of immigrants coming to Canada, will be absorbing about 50,000 more per year.

As you look at your budget in terms of the planning you're doing, you're basically almost flatlined from last year's budget in your ministry. Do you feel that you have sufficient resources within your ministry to do all the things you spoke about in your opening statement? These are huge undertakings in terms of settlement, in terms of ensuring that people are integrated as they come here. Very briefly, do you feel satisfied with your budget at the amount that's been allocated to you?

Hon. Mr. Colle: I am very excited about the fact that the federal government is going to quadruple—let me say that again: four times the funding for newcomer settlement will be invested and spent in Ontario. The newcomer settlement programs will be enriched to historic levels as a result of this agreement, whereas now, as I said, it's \$819. We got the federal government to commit—and they have committed—to over \$3,400. With that kind of investment, we are going to make break-

throughs in immigrant settlement and English-language training like we've never had before. So I am very bullish and positive, because we are finally getting the federal government to be full partners in investing in these programs. My ministry, and the agencies we support, will be enhanced by this agreement, again, in historical terms.

Mr. Klees: Consistent, Minister, with your objective in your ministry, and that is to ensure that immigrants are fully integrated and that they have the settlement support they need and your commitment to ensuring that foreign-trained professionals—I assume that that is a large part of your mandate as Minister of Citizenship and Immigration. Can you tell me—you must be familiar with IMG-Ontario.

Hon. Mr. Colle: Yes.

Mr. Klees: Can you tell me how IMG-Ontario is supporting your initiative as minister?

Hon. Mr. Colle: International Medical Graduates is one of many organizations that my ministry and other ministries of this government work with in terms of trying to break down barriers to our professions. I would like to say that, in terms of the estimates, access to professions and trades is actually under the Ministry of Training, Colleges and Universities. I have been given this transference of mandate, and that will be in next year's estimates. So technically, the monies allocated for dealing with access to professions and trades, under estimates, is under TCU.

I would say that, in general, speaking about my ministry's efforts to encourage and remove barriers, that is going to be one of my top priorities. This is why the Premier has put this new mandated focus on my ministry, because he said that we have to make this a very high priority of one ministry that will have a seamless and integrated approach to helping break down barriers, to take the lead role in this and to champion the cause of foreign-trained professionals right across the board, because we need them to serve as doctors, engineers, nurses, midwives. That's the kind of work I will be doing. It's something we need, not only for our economy but also for the service provisions that foreign-trained professionals can offer communities across Ontario.

Mr. Klees: Thank you, Minister. Chair, if I could just have your help, I know the minister is anxious to expound on these answers far beyond my question. I will never get through my questions if I don't get some help from the minister. If you could help me with that, I would appreciate it. I don't mean any disrespect; I just do have some issues I want to get to.

With regard to foreign-trained professionals, Minister, it is now established that you have the responsibility for these issues. I look forward to working with you, because it is a serious problem. There are announcements that are being made, there are claims that are being made by the government in terms of the success of these programs, but we continue to see people falling through the cracks. I hope that somewhere in your mandate and somewhere in your funding you're going to have the opportunity to address them.

I am going to read you some information that leads to my next question. It's an e-mail from a constituent, who says, "We live in Richmond Hill in your riding. My wife had appeared for selection of foreign trained doctors in 2004-05. ... I am providing you the details regarding the issues relating to foreign trained doctors. These are included in the attachment." I have a file here.

He goes on to say that the government claims that it more than doubled the capacity for foreign-trained doctors. He states, "This is a false claim. They have never selected 200 foreign trained doctors. The actual numbers of foreign trained doctors selected are way short of 200."

Then he goes on to make some statements that I want you to have for your benefit. He makes the following statement:

"We ... appreciate that it is the prerogative of program directors to apply ... qualitative factors ...

"However what we seek is more transparent feedback about our scores in these qualitative factors and reasons for selection/non-selection."

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Minister, this is where there is often a difference between the intent of a policy and what actually happens. This is only one example of a constituent who has come to me saying, "I'm going through this process. The government is setting up these programs for assessment and qualification. However, the program is faulty. We're not being given the opportunity to actually embrace the program that the government is putting forward. If I fail the program, if I'm not selected, please at least give us feedback in terms of why, so that we can make the appropriate corrections, we can focus on remedial study to get us up to speed in those areas." He makes the following points:

"What candidates will do with this feedback."

"(1) They will determine their areas of weakness in this attempt;

"(2) They will determine which of those areas are correctable;

"(3) They will apply themselves and improve in those areas so that they do not carry over the same mistakes in their next attempt;

"(4) Or they would determine that these qualitative factors are not correctable and no amount of effort would correct these factors," which means, "I don't want to waste my time."

The reality is that it costs these immigrants, these foreign-trained professionals, significant dollars to even get into the assessment program. I'm assuming, Minister, that you're aware of these problems. Can you commit that this is something that you, as minister, with your new mandate, your new responsibilities to address these issues, will look at seriously and undertake a review of this program?

Hon. Mr. Colle: If I could answer the multiple questions that were posed there, I just want to say, first of all, that the responsibilities in some of these areas are also in the Ministry of Health and Long-Term Care, where they have invested \$26 million in helping foreign-trained

doctors to access residency positions. I know that the residency positions have been increased up to 200 in Ontario, and you can ask that of that ministry.

Our role here is essentially to find ways of getting a transparent process of registration, application, into professions. That is why we've already established 35 bridge training programs to help that. We've also commissioned a renowned judge, Judge George Thomson—I'm sure you're familiar with him—a renowned former deputy minister, an Ontario court judge, to look at that very thing about due process, transparency, accountability and objectivity in that process, because you're not only dealing with the College of Physicians and Surgeons; you're dealing with the professional engineers and the teaching profession. He has put together a report that will be coming forward fairly soon with some very concrete recommendations on how to deal with a fair process and also what an applicant does if he or she feels they have not been dealt with fairly. I'm looking forward to sharing that report, because it is a very in-depth look at those issues, which are very complex.

I would say that we also acknowledge the fact that Ontario receives 125,000 newcomers every year. We are telling the federal government that it's very important that Canada recognizes that we have to work closely together to ensure that there isn't frustration by professionally trained individuals and that there's more work done at the source level, the source country. That's why, later this month, we're going to be opening up a portal whereby citizens all over the world who are thinking of coming to Ontario, or potential immigrants, are going to find out what the requirements are, what the job markets are at Ontario immigration, I think it is. That's the type of thing we have to do a better job of, federally and provincially, so that we have more upfront information and more due process all the way through the system. That's what we were working on.

Mr. Klees: Minister Volpe recently stated that the federal government, through its plan, will attempt to ensure that immigrants settle in communities outside of gateway cities such as Toronto, Vancouver and Montreal. Do you support that objective?

Hon. Mr. Colle: In fact, one of the things that we're going to be doing with our new gateway portal is profiling various communities across Ontario that we feel are exceptional places to live and work in. Whether it's Kitchener-Waterloo or the Ottawa area or Sudbury, they're going to be partners in profiling their communities. I would say again that in Ontario we support newcomers moving to all communities across Ontario. I was in Kitchener-Waterloo—the enormous benefit newcomers have made to that growing economy. So we certainly support any initiative that encourages newcomers to go to the wonderful small and large rural communities in this great province, and that's part of our goal too.

The Chair: Thank you very much, Minister. I'd like to now recognize Mr. Marchese.

Mr. Marchese: Minister, I already congratulated you on your new position, but I don't mind doing that again. I want to make two observations, and if you have a comment, that's OK with me. If you don't, I'll move on to the questions.

I want to congratulate you on your restraint today, because given the record of the previous Conservative government on the issue of foreign trades and professions, you were very respectful, I thought, unlike Mr. Bentley yesterday, who on every occasion took every opportunity to attack all the governments from past to previous past and anything else he could make reference to; and he did that on a regular basis, question after question. Interesting restraint on your part—I thought I would mention that.

The other observation is that when someone becomes a minister and they happen to be Italian or black or Chinese, we tend to say, "He came from Calabria or Bari," or if he's from Portugal, "He came from the Azores." If he's from Asia, he came from so and so. They focus on the immigrant component of his or her background. I also notice at the same time that if someone comes from Ireland or Scotland or England, there's very little mention of the fact that his or her ancestors came from Ireland or Scotland or England; it's just taken as a given. It's amazing, and I find it curious that we do that, rather than saying, "My colleague is the new Minister of Citizenship."

Does it make you more suitable to be a Minister of Citizenship because you're of Italian background or an immigrant? I don't get it. If you were an Anglo in that position, they wouldn't say that, and I would say they probably have the same ability as anybody else. It's an observation I make. It sort of irritates me a little bit. Do you find that experience as well? Do you have a comment?

Hon. Mr. Colle: First of all, I want to say about previous governments—

Mr. Marchese: You don't have to.

Hon. Mr. Colle: Just quickly. All I just want to say is that I think we've reached a new paradigm here as Ontarians in realizing that we as a province have to really take the challenge of immigration much more seriously, much more focused, because we have so much at stake in helping our newcomers. That's what I think the Premier is trying to do, and that's what I hope I can do. I don't want to castigate or blame past governments, because I think we've all come to a new point here, as I say. Hopefully, we're finally moving in the right direction.

On the second comment, the only thing that I can comment on is that it's not so much an irritant. I think, if someone comes from an immigrant background—like you, myself—naturally people say, "At least they may have a sense of what the experience is like, having walked in their shoes a bit." So maybe that's part of the commentary that takes place, and I don't find that to be irritating. I find that essentially to be almost a positive thing, because it's pretty hard sometimes, as much as we may be academically or technically knowledgeable in an

area, the fact that we may have gone through the immigrant experience—I think it helps me in undertaking my duties.

Mr. Marchese: I understand. I'm going to get into some questions. I think the question on everyone's mind is the settlement and immigration service sector and what is happening with the federal-provincial immigration agreement. You commented on that, and I have some follow-up in that regard.

Just to give you some background, yesterday I asked Minister Bentley a number of questions connected, first of all, to the \$600-million agreement having to do with monies that would come to the provincial government to deal with issues of post-secondary education. There were some conditions that the agreement had, and they were that money would be used to reduce tuition fees and for training and so on. I was puzzled by the fact that the minister and your Premier have not been attacking the federal government to get that money right away. There could be an election soon. The money isn't flowing. You guys are arguing that there's a \$23-billion gap, and the Premier has not said a word on that agreement between two parties for which the money should be flowing, and flowing quickly. Nothing has happened. That's one.

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The other one is the labour market development agreement. At the May 7 meeting between Premier McGuinty and Prime Minister Paul Martin, there was an agreement to reach a deal within 30 working days, and 150 days later, nothing has happened. We don't know what the status of those negotiations is; he couldn't say. He kept referring to this active table as opposed to a passive table—that it's active and it's on the table, and he's "working aggressively toward"—you know, that kind of stuff.

Then I made reference to a quote from Dalton McGuinty in relation to the labour market development agreement, where McGuinty says, "The Harris-Eves government was too busy fighting with the federal government to partner with them on a skills strategy for Ontario." We still don't have an agreement with a new Premier who's a Liberal and is presumably much more friendly with the federal government, and nothing is happening. Then we come to this issue of the federal-provincial integration agreement, and I see nothing happening. What do you think is going on, Mike?

Hon. Mr. Colle: There isn't a day that goes by when I haven't received some update or some question or comment about a meeting that either Minister Bountrogianni or the Premier's office has had, so this is aggressively being pursued. I guess when you're trying to get a landmark change of this nature to take place—it is quite a departure. We're looking at changing 100 years of history, plus there was a change in ministries and Minister Stronach came to the fore.

On the immigration agreement, which I deal with as a minister, I am literally waiting by the phone day by day for that to be completed. You'll be one of the first people I will call—I'm serious about that—to let you know. I am

anxious. You're so right, and the Premier is as anxious as you are. But the thing is moving along in the right direction.

Mr. Marchese: I appreciate that. Do you think McGuinty was wrong to have said that the problem of not getting an agreement was that the previous Harris-Eves government was just fighting the federal government? Was that the problem, do you think?

Hon. Mr. Colle: I think the previous Harris-Eves government had a totally different approach to immigration and signing agreements with the feds. Our Premier said we have to work together, and that is happening.

Mr. Marchese: That's not working out, and that's my problem.

Hon. Mr. Colle: It is working in that direction. It's happening.

Mr. Marchese: I understand that you agree with me because without this agreement, the province forfeits millions of dollars a year in federal funding. You talked about the fact that once the agreement is had, we will have quadrupled the amount of dollars. This money should be going to help newcomers find employment, get language training, move into an apartment and upgrade their qualifications, if necessary. Ontario is the only province with no immigration agreement, and it receives substantially less than everybody else. I understand that you understand we're the only ones without an agreement. How could it have been easy for the federal government to have come to agreements with everyone else, but they're finding it difficult with the previous government and with your government, friendly as they are to each other—they're cousins literally. We can't seem to get it going. Something is wrong and I don't quite understand what that is.

Hon. Mr. Colle: Again, the good news is that it is going to happen for the first time, and that's been acknowledged by Minister Volpe and Prime Minister Martin. So that is going to happen. The history of it is the history of Confederation etc., and I don't think we want to go into that.

I think we have really gotten the attention of the federal government. The Premier, with his efforts, has gotten the attention of the public. We've got the public onside. The newcomer settlement community workers I've talked to are finally seeing some hope in this agreement being signed. So there is a shift that is taking place, and I think it's a positive one. I think we're very much almost there.

Mr. Marchese: The problem, Minister, again—and I'm badgering you a little bit. You're giving me the same answer, as I'm giving you the same question; I understand that. I'm just pressing you with different points as a way of making the point.

On May 7, 2004, Mesdames Sgro and Bountrogianni signed a letter of intent, promising an immigration agreement within 12 months. We're still waiting. A year after that, on May 7, 2005, Premier Dalton McGuinty and Prime Minister Paul Martin signed a memorandum that said Ontario's funding per immigrant would rise to

\$3,400. Ontario hasn't received a cent. I get tired of these signings of memoranda and agreements. Don't you get sick of it? I get sick of it. What's the point of signing something and saying something if nothing happens?

Hon. Mr. Colle: The one key thing that I think you might be happy to hear is that we are continually interjecting the point that this agreement has to be done right. For instance, in the whole area of the number of newcomers who come to Ontario, the fact is that we get almost 57%. Shifts in federal immigration policies affect Ontario deeply, and Ontario can't be treated the same way as Manitoba and its few number of newcomers. That is the type of negotiation, the type of agreement we want in writing. We want that protection there in an ironclad way so we don't get caught where we've signed an agreement because the money seems to be large in a gross number, but then it doesn't take into account the specific challenges we have in Ontario.

For instance, you're well aware of the specific challenges we have now with English as a second language. We're getting so many newcomers from China, for instance, so English-as-a-second-language teachers have to be much more qualified and tuned in to the challenges of a non-Latin alphabet and that type of thing. The fact is that many of our newcomers are highly trained: 70% of them have some kind of post-secondary education or training.

Signing an agreement just for the sake of getting a lump sum of money would be easier to do, but we've said that we want the agreement to have those protections and specific issues addressed.

Mr. Marchese: No disagreement. By the way, I agree with you, as a former teacher and trustee with the Toronto school board. We have been hammering the federal government for the last 20 years that I have been in politics, where the federal government has abdicated its responsibilities to immigrants, the majority of whom come to Ontario. It's disgraceful. It's disgraceful for any government at the federal level, both Liberal and Tory, that has not acted on this.

That means the province is put in the position to have to find money to provide funding that appropriately belongs to the federal government. For 20 years, in spite of all the exhortations that all of us have made, they don't listen—it's amazing—and it continues. My fear is that unless you can pinpoint a date soon, we are not going to get an agreement before this election, and after the election, we don't know what's going to happen. So while I appreciate that you're trying to get an agreement that's comprehensive, my fear is—if you've got a better deal coming, I would take it before something happens, if that's the issue. But I'm not sure that's the issue, by the way. I am urging you to urge them to urge McGuinty to call them and say, "Fix a date soon," because if it doesn't happen, it won't happen. Do you share my fear?

Hon. Mr. Colle: I share your fear, but I hope I can share my optimism with you too. I am less fearful today than I was yesterday.

Mr. Marchese: I understand you're optimistic and that you need to be and need to communicate that. I was reading to you a number of quotes, including the memorandum that was signed as recently as May 7, 2005. It's a memorandum; it's purported to mean something. They mean nothing. So good luck with your optimism. In the meantime, we will hammer you as being closely associated with the federal Liberals and, in spite of that affinity you have for each other, that we have no deal. Maybe we need a New Democratic government, I don't know. Even Frank disagrees with that.

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Hon. Mr. Colle: We don't have to go to extremes. We're very, very close.

Mr. Marchese: I think it would be a good threat if we said to the public, "We're about to elect a New Democratic government." Trust me: Martin would sign a deal right away, I can tell you.

Hon. Mr. Colle: Again, that's a strategy that I won't—

Mr. Marchese: Pursue.

Hon. Mr. Colle:—pursue myself. I've got enough, let's say—

Mr. Marchese: Optimism on your plate.

Hon. Mr. Colle: It's optimism that is really embedded in concrete progress that is very positive, as far as I'm concerned.

Mr. Marchese: I understand. I don't see it, but I understand that you feel that.

In August 2005, you announced that Queen's Park was investing \$4.1 million in immigrant settlement services. You know that Madame Bountrogianni had made exactly the same announcement a year before that, right?

Hon. Mr. Colle: Yes. What happened is that there was an allocation of a lump sum of money, \$4.1 million, for newcomer settlement services, and then the applications came in by individual organizations for specific projects, for CultureLink, COSTI and all these partners we have, the Kitchener-Waterloo Multicultural Centre. The process is that the staff go through all the applications meeting the criteria; most of the criteria are based on that you have to have two years' experience of delivering settlement services. What I announced is what is traditionally announced: In August, the specific agencies are given notification that they have a specific amount of money for their services, and that's what I did in August. I did it at COSTI, and we had about 50 of the recipients there, organizations from all over. They said, "We realize that we still need a great deal more, but at least the provincial government has programs that are much more flexible than the federal government's and really help us deal with our client base." It was a very positive meeting I had with the community-based organizations that receive this funding from the provincial government.

Mr. Marchese: Sure. I can imagine. In this sector, any extra cent they get they're going to love and accept; they're not going to reject it. You're quite right. My point was that, as far as I can tell, this \$4 million is not new

money. It's not enhanced money as a result of your coming into this ministry this year. It's old money. That's all I'm saying.

Hon. Mr. Colle: Basically, it's the same amount that was given last year. The good news is that with the federal-provincial agreement, monies will now begin to flow from the federal government into these community-based organizations who need this money desperately.

Mr. Marchese: I agree. But you're making it appear like this is an extra \$4 million from last year. It's the same money.

Hon. Mr. Colle: No, no. I said it was the same. It's a continuation. It's another \$4 million for this year; there was \$4 million last year. We are continuing our commitment of dollars. They make application every year for the money.

Mr. Marchese: Let's be clear, because I just said something and you said no, and then you appeared to be saying yes. Last year Bountrogianni announced \$4 million. That was last year.

Hon. Mr. Colle: No, in the budget there was an allocation of \$4.1 million for newcomer settlement services. Once she made that announcement, then the application process starts by the settlement services to get part of that \$4.1 million, depending on their needs. I announced, "Here's who got the money."

Mr. Marchese: OK. It's confusing, because it appears as if it's an extra \$4 million.

Hon. Mr. Colle: No, I announced which organizations received—

Mr. Marchese: Got the money that was announced last year. All right.

Hon. Mr. Colle: It was the global amount. I announced who were the successful applicants.

Mr. Marchese: You understand the announcement makes it appear as if it's new money. That's why I raised the question.

Hon. Mr. Colle: No. It was quite clear in the announcement, and I think the settlement agencies that were there understood that.

Mr. Marchese: I understand what you're saying. The reason I'm asking is, because the way it was communicated, it appeared as if it was new money, but you've explained that it isn't, so we're clear on that.

The other question is with respect to the newcomer services program. Funding has been flatlined, as mentioned by the Conservative critic, for many years, despite the fact that the number of newcomers to Ontario is steadily increasing. Can you or the deputy tell me, how long have we had a flat-lining of citizenship monies?

Hon. Mr. Colle: I know I asked the same question you did. Essentially, I think this program was started in 1997. The amount of monies allocated for the NSP, as we call it, has always been in this range of \$4 million. That's been the general range. That's my recollection.

Ms. Andrew: There was a small increase last year from \$3.9 million to \$4.1 million, so there has been a small increase recently.

Mr. Marchese: Everything comes in small amounts in your ministry, is that correct?

Hon. Mr. Colle: It's a small ministry.

Mr. Marchese: My view is that this newcomer service program is incredibly important to immigrants, without having to talk about the fact that the Conservatives eliminated the Welcome Houses, which were so critical to settlement services for so many. I really do believe that we need to give more support to the newcomers, and the level of money you get from the government, let's say the Premier in this case, is very little. I don't know what your intentions are in terms of how you might raise this issue publicly or with the Premier to see how we can increase that.

Hon. Mr. Colle: The linkage is with the federal-provincial agreement on immigration. That is why we've been telling everyone that the money we're asking for, and going to get, as a province is not going to go into our treasury as the quadrupling occurs of the investment in newcomer services. It will flow directly to the community-based agencies, like the 79 we fund. So when we talk about the extra \$300 million next year, that money will go directly to them.

Mr. Marchese: So in other words, you don't get it directly and then send it to them; they get it directly?

Hon. Mr. Colle: Yes.

Mr. Marchese: Isn't that interesting.

Hon. Mr. Colle: That's part of the agreement. But it's done in consultation with us, our priorities and the needs in Ontario, regionally or in specific cases when we get an influx of certain newcomers. We will collaborate with the federal government on what our needs and priorities are in Ontario, so we do it together. But we don't want to reinvent the organizations, because they're already on the ground. As you've said, they're excellent.

Mr. Marchese: I don't mind that, because I think it's an interesting process. But normally the provinces fight like mad to get the money so that they can decide on what the priorities are in the province rather than having the government, with your agreement, decide to send the money directly. Is that not an unusual kind of step?

Hon. Mr. Colle: I think the settlement organizations, basically, say that they need the resources, and whether it's us that cuts the cheque or the federal government, they badly need the resources. So we as a government feel that we want to flow that money through as quickly as possible, and that's what we've told the federal government. We want the money invested in Ontario programs, spent in Ontario, and that's our ultimate objective.

Mr. Marchese: No problem. Talking about the settlement sector and their needs, as I understand it, there used to be an annual Geneva Park conference in Orillia that would bring together the settlement sector for professional development. You have funded that Geneva conference on a regular basis, is that not correct, Deputy or Minister?

Hon. Mr. Colle: Well, I'm aware of the fact that the Geneva conference was held over the years. I'm not sure at this point in time whether we are funding it, but I can

say to you that that's the type of thing we will be looking at to enhance and invest in, because those are invaluable parts of building the training, the expertise and the sharing of resources. So we have to look at those types of reinvestments and enhancements.

Mr. Marchese: I agree with you. I have learned that the money for this year has been withdrawn, so there is no conference going on. The federal government stopped funding professional development, and maybe your money is linked to them or is contingent on this thing going on, but I am amazed that the federal government cut its funding support and that your ministry did the same. Given the level of need that you and I recognize, how could we let that happen?

Hon. Mr. Colle: I will get you specific information on the Geneva conference itself. I don't think we've funded it in three or four years, but I will get you specific information on that later today. The main thing I would say is that that's the type of investment we have to start to make again. That's why, as the federal money starts to flow into Ontario settlement services, that's the type of program we have to enhance. Whether it's OCASI or whether it's the Geneva conference, they need that kind of support from our ministry and from the federal government. We hope to play an aggressive role in getting those types of programs reinstituted.

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Mr. Marchese: That is my hope. I hope that the money that was taken away by the feds is going to come back. I hope that your role is reintroduced. I hope that if you're relying on the federal government, you will lobby the federal government publicly to get this money.

You know that a lot of these workers working in this field make anywhere from \$33,000 to \$35,000. These people work full-time, like so many other civil servants, but that kind of wage is a low-income wage for a very important service they provide to, often in cases, very vulnerable individuals coming from other countries. Given the fact that this is a professional development day activity, which is their only opportunity to come together and learn new things from each other or whomever else they bring toward that professional development, I'm a bit puzzled and upset that this thing is not going on.

Hon. Mr. Colle: I couldn't agree with you more. As I've gone around the province already, I've been so impressed with the on-the-ground professionals. I was in a multicultural centre in St. Catharines. The intake worker was a senior bureaucrat with the National Bank of Egypt. The other intake worker was a Ph.D. who had just immigrated from China. We have such an abundance of qualified, dedicated people, as you said, working for very low wages, doing extraordinary work, contributing—I mean they're the ones who are allowing success.

Mr. Marchese: We agree.

Hon. Mr. Colle: So I'm saying that we also feel that that's why this is starting to turn, that we have to start to reinvest, not only in the actual service delivery but in the people who deliver those services.

Mr. Marchese: We're agreeing. It would be my hope that you would look at this conference. I don't know when—I should have gotten the date in terms of when it should have happened—

Hon. Mr. Colle: I will get back to you with the—

Mr. Marchese: You should look into that, and I would appreciate you getting back to me in terms of the settlement sector having a better sense of your optimism and your comments, and hopefully that will be reflected in the money that should flow to them.

The other big problem for me which has taken place in the last five, seven years—possibly longer; I don't remember—is that many of the settlement sector service agencies used to get core funding from the provincial government and federal government. In the last seven years or so, they are now surviving on a year-to-year basis based on applying for project funding.

In my view, it's a disgraceful move by federal and provincial governments, because it forces these organizations, as you well know them, to have to fill out applications. Some of them have the staff to do it because they're big agencies. In some cases, they have a full-time staff person who knows how to fill out the forms and has the language to speak to Tories, to speak to Liberals, to speak to NDPers, whomever is in government; they know how to do it well.

Most of these agencies delivering this service have no understanding of the politics of the changing governments. They don't even know how to fill out the forms, and they don't have the staff time. Having moved from core funding to project funding, in my view, is hurtful. What can you tell me about what the government is doing with respect to this?

Hon. Mr. Colle: Again, I think this whole area of providing settlement services and the funding over the years has not been invested in as it should be. As I say, I think there's a real shift taking place, both federally and provincially, to see that that has to change for us to be successful as a province. So that's fine; that's the positive.

We generally fund on hours per service provided. That's our approach provincially, the way we've been funding the settlement services in Ontario. So it's based on per hour of service provided.

Mr. Marchese: I understand the federal government is looking at changing this process; they're moving from project funding or one-year funding to three-year funding. I understand United Way is also looking into that.

I also thought the provincial government was doing the same, but you're saying that's not the case; you simply provide money on the basis of whatever service they provide, not what they apply for on a project basis. Is that my understanding?

Hon. Mr. Colle: This is one of the specifics in the agreement that we're working on with the federal government, that type of coordinated—in other words, we don't want them to have core funding, and then we wouldn't. So we are saying for the first time—and

they're agreeing—that we have to work together on this file, whether it's the duplication of English-as-a-second-language provisions that are taking place, the type of funding mechanisms—that's the kind of detail we're working out.

Mr. Marchese: So your staff is at the table on a regular basis with respect to working out this agreement? That's what this is all about?

Hon. Mr. Colle: They're involved. In fact, Katherine Hewson and Joan Andrew have been intimately involved in that type of detail.

Mr. Marchese: So, Deputy, we're really, really, really close, then? Is that what you're saying?

Ms. Andrew: We're very, very, very, very close.

Mr. Marchese: We have a memorandum of understanding, you understand.

Ms. Andrew: But we are focusing on how to better integrate and coordinate services for the clients. So the level of detail that we're working on, those kinds of things, is a bit more detailed focus than just intent.

Mr. Marchese: Just as another follow-up, I understand there are a lot of young people coming into the country without parents, and in the last 10 years we have been seeing more and more unaccompanied young people aged 16, 17, 18 and 19, possibly; I don't know their ages. But I'm told there are a lot of young people coming and we give them very, very little support, as I understand it, from talking to a number of people in an agency or two.

Are your staff people familiar with this, given that you're new in your portfolio, Minister, or is your deputy familiar with this in terms of what they know and what they're doing and, if they're not doing much, whether they're lobbying the federal government to do something?

Hon. Mr. Colle: Go ahead, Deputy.

Ms. Andrew: I'm actually newer than the minister in this portfolio.

Most of the responsibility for that eventually rests with the Ministry of Community and Social Services, so we don't have primary responsibility for that. I could ask them what they're doing and report back to the committee if you wish.

Mr. Marchese: You are now acquiring various things in your ministry that deal with newcomers, and that is an interesting answer you are giving me, given that you're acquiring everything that has to do with immigration and immigrants, and citizenship and blah, blah. And on this particular issue, the other ministry is dealing with this?

Ms. Andrew: Well, I think, because they have responsibility for some of the social issues—protection of income support, those kinds of things—they have lead responsibility. As the minister said, we're in the process of rebuilding the ministry and, as we move forward on the immigration agreement, this may become part of it.

The Chair: Thank you very much. We now come to a point in our discussions, Minister, where, if you feel the need to respond to any of the statements made by the official opposition or the third party, you may—up to 30

minutes, if you choose—and once you're completed, we can begin the regular rotation of questions.

Hon. Mr. Colle: Mr. Chairman, I'll be fairly short. I won't take up the 30 minutes. I just wanted to re-emphasize and maybe respond to some of the questions raised. The main point is that the Premier has made the settlement and the success of newcomers a priority of our government. In this ministry, we are going to be advocating for our newcomers, because it's quite evident that Ontario's success is based on the success of our newcomers.

If you look at the economy of Ontario, great contributions have been made, whether it's the more notable immigrants like Frank Stronach—coming here with essentially a suitcase and a few dollars in his pocket—or Iggy Kaneff or John Bitove, or the nameless shopkeepers and people who open up garages and people who are delivering newspapers. If you look at the amazing growth in Markham, the activity that's happening in York region, the growth in Brampton and Kitchener-Waterloo, all over this province there is witness to the amazing contributions newcomers have made and are making.

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We in this ministry will try to do the best we can to get them to reach their potential. That's why we and the Premier have been so aggressive in getting that agreement with the federal government. For too long, there hasn't been the fair investment by the federal government in these programs that our newcomers need. We know we can give them that helping hand at the beginning, whether it be with language, with skills training, with bridge training, which we are doing.

I just want to mention our bridge training program. I had the good fortune that we had our third grandchild two weeks ago; my daughter had a daughter. Sometimes you sort of blend the academic side of work with the reality of your family. My daughter was very fortunate to have a midwife help in the delivery; it's the second child she's had with a midwife. I was talking to the midwife about the labour market for midwives in Ontario, and I said, "Are you aware of our bridge training program for midwives that exists in Ontario?" She said, "I sure am." We aggressively try to get this partnership going whereby midwives, who have been immigrating to Canada from all over the world, want to set up practice in Ontario and help Ontario women who choose to have children with professional midwives, so we have this bridge training program.

The bridge training program basically links the expertise and academic background they've had in their country of origin with Ontario practices. Hundreds of midwives have been coming through the program, and after a year's sort of internship, of blending the practices back in their country of origin with Ontario ones, we have successfully integrated midwives into Ontario, because there is a shortage of midwives. It's a great success story, but without that bridge training, that upfront investment that we as the government did, or that we as a government have to do, we wouldn't be able to have

success stories of highly qualified new Canadians who come to Ontario and want to deliver a very important service; that is, midwifery.

That is the type of approach we're taking: to invest in those link programs, invest in that bridge training program, so that whether it be nurses, whether it be teachers, whether it be biotechnicians, we give them that help in the early stages so they can reach their potential and contribute to Ontario's society and economy. That's the overall mandate of my ministry.

I know the member from Trinity-Spadina is very concerned about when the agreement is going to be signed. Really, no one is more anxious than I am or the Premier is, but I would again categorically say that we are extremely close to finally making that breakthrough where the federal government will invest money in those community-based programs that already exist in every community across Ontario. We've got amazing delivery of services in every community. They've been doing it on a shoestring over the last number of years. We've tried our best, as a province, to do that. But without the federal government coming to the table and investing that money in newcomer settlement programs and removing these barriers, we won't be able to make those major breakthroughs. That's why I think we now are going to make that major paradigm shift where they will get the resources, the investments will take place and success will come.

Ontario has no choice but to do this. As I mentioned earlier, Alberta is undertaking an aggressive immigration marketing policy as we speak because they have a shortage of skilled labourers. They have the same challenge we have: flat birthrate, aging workforce. So we have to invest in this integration and we have to compete with the rest of the world. Even Australia is aggressively competing for immigrants, because they have the same problem.

If a person is thinking of coming to Canada, we are setting up a gateway portal on the Internet saying, "Think of Ontario," think of the opportunities, but also think of the qualification requirements, think of the labour markets that are here, the processes, and where in Ontario you may want to settle. If you're French-speaking, you may want to settle in Alexandria or Hawkesbury or east of Ottawa. You may want to settle in the dynamic, high-tech centre of Kitchener-Waterloo. You may want to be in York region, in Vaughan, one of the most dynamic, growing cities in Canada—the sixth largest, I think.

That's the type of thing Ontario is going to start to do more of in terms of profiling itself, doing more country-of-origin information availability. We can't afford just to sit back and be passive on this and let the federal government do things unilaterally. The federal government, thankfully, has changed its approach. They now realize they have to partner with us, not only in program assimilation but also in investing in these programs that we, as a province, have said we have to do and that service providers are crying out for.

I think we're on the verge of some great promise and opportunities for some of the most amazing people I've

met. They desperately want to raise their families, and they want to work. They want to work in their skilled trade or profession. Hopefully, we can start to do that so they can achieve success. Because it's undeniable—we see it all around us: When our newcomers succeed, they feel a lot better, their families feel better, their communities are better, and the province and the country are the big winners in the end.

Those are some of the general comments I would like to make. Hopefully, we can be on the precipice of some amazing success stories.

The Chair: Thank you very much, Minister. I have one request for information from your staff. Earlier you quoted a statistic about the difference between Quebec and Ontario. I wonder if you could table for the committee what constitutes each of those numbers in the minds of your staff. We could circulate that to the members so that we have a basis to discuss that further. The other request I received was with respect to the new settlement program: the amount of provincial funding and the amount of federal funding in each of the last five years so that we can track that as well for a follow-up discussion.

Hon. Mr. Colle: Sure. We'll make that available in detail.

The Chair: Thank you very much, Minister.

I'd now like to recognize Mr. Klees for what will be a 20-minute rotation.

Mr. Klees: Could I also ask to be included in those numbers the actual figures for the other provinces, in addition to Quebec, if staff could provide that.

Hon. Mr. Colle: Yes, certainly.

Mr. Klees: I note from the estimates that your ministry underspent its budget last year to the tune of about \$3 million. I wonder if you could provide a very brief explanation for the underspending.

Hon. Mr. Colle: It was essentially the result of the timing of the passage of the Accessibility for Ontarians with Disabilities Act, which was passed later than anticipated due to the Legislature's approval process.

Mr. Klees: So it wasn't a matter of cutting back on any anticipated programs?

Hon. Mr. Colle: No, it was just that it was much later down the road than anticipated.

Mr. Klees: OK.

I want to speak to a comment you made about the program or the agreement that is so imminent. The last time you and I were together, I think, was at the Forest Hills Lions Club on June 7. I think you should really be a member of the Optimist Club as well—not in place of. You are incredibly optimistic. You're really basing your plans on the assumption that that agreement will be signed. I'd like to ask you about your statement that the additional funding that's going to come from the federal government will apparently not come to the provincial government but will really be federal funding directly to agencies that are delivering programs in the province. Did I hear you correctly? Is that how those funds will flow?

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Hon. Mr. Colle: The parameters of the agreement are that we will sit at the table with the federal government in terms of outlining our priorities, as a province, as we see the newcomer pressures and the need to define what our gaps are and where we need the money to be spent. That will be done up front with the federal government, and essentially the money will then flow to agencies that already exist, for the most part, throughout Ontario, which provide many of the settlement programs and many of these newcomer programs. The federal money will flow, for the most part, directly to them. That's not to say that part of the money from the federal government won't go to our programs directly, like English as a second language, for instance. Some of that may flow directly into the programs we offer, but there's going to be much more coordination, much more blending of programs federally and provincially. For the most part, it is not us recreating or putting money into our treasury; it will go to the service providers.

Mr. Klees: You mentioned English as a second language, and that's why I'm asking this question. We know there are incredible pressures on Ontario and on the Ontario government as a result of this shortfall of funding from the federal government. A lot of that falls on our education budget or ESL, a lot of it falls into the health care budget, whereas provinces such as Quebec that get significantly more funding have the capacity to deal with these pressures. My concern is that if there's a flowthrough of funds directly to the settlement agencies, where does that leave the provincial government in terms of being able to deal with these other pressures, whether it be health care, ESL, or whether it be our welfare rolls in terms of providing community support?

I'm assuming you're at the table; you're negotiating this deal. How did these issues of health care, ESL and other social benefits fit into your negotiating strategy in terms of ensuring that the appropriate financial resources are there under this new agreement?

Hon. Mr. Colle: I concur that those are real pressures that your government faced and that our government faces. We all know that the newcomers who come here are a great potential advantage to us, but we need the resources to allow them to succeed. The only area I'll comment on is the immigration agreement per se. Health and other issues are really another discussion with the federal government.

In essence, what we've said is that there are definite needs, gaps and underfunding compared to Quebec, as you've said, that have to be addressed. We've said we need the federal government to acknowledge that and to start investing in those programs. Whether it's English as a second language or skills or orientation, all those expenditures have to be made. The directive I was given was to ensure that that money started to flow into those areas that in essence go to the newcomers who need those services. That's where our focus was: Fund the services. We've already got the infrastructure here in

Ontario, and the federal government must essentially underwrite those services that are being provided.

Mr. Klees: Can you confirm that these issues, such as ESL and others, are being contemplated and that there is provision in that agreement for those additional expenses such as health care, social services and ESL?

Hon. Mr. Colle: Certainly ESL, enrichment, new workplace-focused ESL, the various pressures that Ontario faces in ESL with the 170 countries that people come from, those are front and centre in our discussions with the federal government, that that type of acute, very unique type of pressure Ontario has, compared to other jurisdictions, has to be dealt with in terms of the funding model for this agreement, and that is being addressed.

Mr. Klees: I'd like to just pick up on a comment that Mr. Marchese made earlier, and that is with regard to the annual application process for these agencies. I am concerned in terms of the administrative burden. I asked the question about the ministry in terms of the administrative costs there, and I think in government we always have to be cautious that the administrative burden and the business of applying and managing programs don't ultimately draw from the effectiveness of the programs themselves. With regard to these annual applications that are made by, as you've said, fairly well established agencies within the community, this is a burden for many of them, and particularly because for many of them, because they're stable—I shouldn't say "stable"—because there seems to be very little increased capacity for funding, although that's going to change with this new agreement, much of the work that they do is very repetitive. It's simply administrative burden on top of administrative burden, when they could be using the staff time to deliver services.

When I was at tourism and recreation, we saw this same problem arise with regard to our sports agencies. We implemented a change at that time through the Sport Alliance, where there was a short-form application for agencies that we'd been doing business with for some time, where, if in fact the information from the previous years was relatively consistent, they could simply check that off and it was a short-form process that saved the agencies considerable time and effort. Is this something that you would be willing, as minister, to look at, to see what could be done to cut down on these administrative costs for these agencies?

Hon. Mr. Colle: We have a very lean and mean small ministry. I'm very impressed by our staff and I've gone out to these agencies with our staff. Our staff is on the ground; they're very connected to the service providers and they are hands-on. A lot of this application and the requirements—I'm impressed—are done on an almost personal basis; they know the service provider agencies almost on a first-name basis, so it is not top-heavy. Again, given the size of our ministry and the experience of our staff, it is a quite exemplary way of dealing with, as you said, small agencies that don't have a lot of time and resources. Any way we can find to get rid of that

kind of overbearing application process is always worth looking at.

On the other hand, the other concern we have is the accountability factor, which is always demanded by the public and by the Legislature, that as we give out government money, there's got to be accountability. I think in this ministry it is a very personal approach, and I'm glad to say that's what I found in my first few months in talking to the on-the-ground providers.

Mr. Klees: It's the accountability issue that I wanted to address next with you. As you say, we have competent people out there but there's always a concern, there's always a danger, that the funds that are signed off by you and transferred perhaps get misused or misapplied or applied inefficiently. With regard to accountability mechanisms, other than an application process, what mechanism do you have in place to provide your ministry with the assurance that the funds transferred are actually getting to the people they're intended to help?

Hon. Mr. Colle: First of all, I'd like to say that the organizations that I'm familiar with, have visited or have talked to are exemplary. Organizations like COSTI, Jewish Vocational Service and Muslim Community Services have exemplary reputations. We work with them and have a half-year monitoring of the grant, even at the six-month period, to see how things are going. Therefore we have not only the initial application process; we monitor at the half-year. Plus, as I said, many of these organizations have been in existence for quite a number of years, and we accept at the application that they've already had to be a provider. They've had the two full years of experience before they are even eligible in this field, so they just don't come to make an application without that track record of at least two years in settlement services.

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Mr. Klees: I appreciate that. I think we're all familiar with the agencies, and you're right; they are exemplary. However, in the best of organizations, there are circumstances that can arise where—whether it's an individual, whether it's intentional or unintentional—there can be a misuse of funds. You as minister have a responsibility to ensure that these public dollars are in fact being used appropriately. Is there an audit mechanism in place within the ministry where you can reassure yourself that these exemplary organizations are indeed on track?

Hon. Mr. Colle: Just to let you know, we have a mid-year accounting, a final accounting and performance reports, and we also have ministry staff visits. I think these agencies respect the fact that we are guardians of the public trust.

On the other hand, I'd like to say that many of these agencies work, above and beyond any dollar that we give them, in their extra time, their free time. They also engage immense numbers of volunteer hours. Each one of these agencies is blessed with the commitment of so many volunteers.

Again, we are going to be very responsible in the way we give out the money, as we have been. We are going to

continue these accounting processes, and we are going to continue to work in partnership with these agencies. As you said, the majority of them are exemplary, and that's the approach, but we are still going to go through our processes of accounting.

Mr. Klees: Mr. Chair, how many more minutes do I have left here?

The Chair: Five minutes.

Mr. Klees: OK. I'd like to begin a discussion with you that we won't have time, I'm sure, to complete, but we will in the next round. It relates to the responsibility that you as minister and your ministry have on the settlement file to ensure that people who come here to this province are in fact familiar not only with the services that are available to them here but are familiar as well with the laws of this province and this country. We have people coming from jurisdictions where there is a very different set of laws that relate particularly often to family law.

For example, your Premier recently made a declaration relating to shariah law, and in the context of that announcement made it very clear that there is one law for all in Canada and in Ontario. My concern, Minister, and I think you'll probably share this, is that many immigrants really are unfamiliar with what that law is. Many immigrants come from a country where there is a very different culture, a very different framework within which, whether it's divorce or family law issues particularly, the circumstances are very different. They come here and really have no idea what the framework is within which they can or should be conducting themselves.

Your mandate in terms of communicating that kind of information is very clear. It's there within your ministry. My question to you is, are you satisfied, as the minister with that responsibility, that enough is being done to ensure that immigrants to this province have that kind of information? And do you have sufficient budget to ensure that that communication can be made, and done efficiently?

Hon. Mr. Colle: I think you raised a very valid point when you talked about the faith-based arbitration decision that the Premier made, that it's essentially one law for all. I think the bonus I have as a minister is that I'm not only the Minister of Immigration, I'm also the Minister of Citizenship, and I think it's a great combination. We have an opportunity and I think an obligation as a government to promote the values of good citizenship, and my ministry is well positioned to do that and has been doing that through encouragement of rewarding good citizenship, good participation and good volunteerism. My ministry is charged with ensuring that the values of good citizenship are incorporated in our outreach to newcomers and in our integration of newcomers.

You're so right: When does a newcomer get an opportunity to appreciate the customs, traditions and laws of Canada and Ontario, to learn about Remembrance Day, to learn about the sacrifices made by people who came before us, the original newcomers that came from Germany, France, Ireland and Scotland, and the foun-

dations of this great country and province? I think we as a government will be doing our share in ensuring that the appreciation of the laws, customs and traditions of Canada are incorporated in our integration of newcomers, in our ESL programs.

I've talked to our settlement agencies about this, and they are very eager to participate in this citizenship activity and to reinforce it. We are very, very pleased that there's been such good reception to linking the responsibilities of citizenship, what's required of you as a new Canadian, because, as you said, sometimes they never get an opportunity to know what the parameters are. You may get that opportunity perhaps, to a certain extent, when you apply for your citizenship and take that questionnaire, but I think we've got a great opportunity as a ministry here combining citizenship and immigration to really play a significant role in that respect for the traditions and laws and customs of this great country. The newcomers want that and certainly want to be partners in getting that kind of information and celebrating the great history we have in citizenship.

Mr. Klees: Minister, as I indicated, I will be pursuing this with you as well as Minister Papatello, because there are some very clear implications for issues that relate to the women's secretariat and violence against women and what the government is doing. I'm concerned, for example, that there appears to be a cut in your budget for communications; if I'm wrong about that, please correct me. First of all, there seems to have been an underspending, particularly with regard to the women's secretariat, and I am concerned that you may not, as the minister, have the resources necessary to do the kind of programming that you're contemplating.

I'll just give you an idea. Today, as we speak, in Vaughan, social workers are meeting with a 14-year-old Nigerian girl whose parents are planning to marry her off within the month. The girl doesn't want to be married. She didn't know what to do. She spoke to one of her teachers at school, who contacted a social worker. This is a circumstance happening within a few kilometres of this room, of this Legislature. Again, I think it speaks to the issue of the kind of information. It behooves us to ensure that people who come to this country, to this province, know of their rights, and that when they make the choice to come here, they're making a choice to come to a land where that kind of coercion cannot happen. That's what we celebrate, that kind of freedom. But if people don't know, what can be done? As I say, we'll pursue that, and I look forward to your ministry's initiatives in regard to this.

Hon. Mr. Colle: Yes, and I'm sure Minister Papatello would be more than happy—

The Chair: Thank you, Minister. I'd now like to recognize Mr. Marchese.

Hon. Mr. Colle: Mr. Chair, is it possible to have a five-minute break?

Mr. Marchese: You're asking for five minutes?

Hon. Mr. Colle: Yes.

The Chair: Absolutely. Not a problem.

The committee recessed from 1110 to 1116.

The Chair: We are back. Mr. Marchese.

Mr. Marchese: Minister, I just want to follow up with another question I had from the previous issues I was raising, before I get on to the professional accreditation concerns. This has to do with the fact that we used to have funding for ethno-specific agencies a long time ago, probably five years ago or so, and today it has changed. The view from many agencies, including my own, is that ethno-specific agencies are more effective in relating to the communities they have to deal with. They know each other, they understand each other, and therefore would make welcoming orientation much easier. Do you have a view on this? If you agree, what might you be doing or thinking about doing with respect to this? You might ask your deputy or others if they have a comment.

Hon. Mr. Colle: Yes, I'll just make a couple of comments and I'll allow them to add their information, certainly.

One of the trends I've noticed is that organizations that sometimes in name seem to be dealing with one ethnocultural group find that they actually deal with a very diverse group. Jewish Vocational Service, which originally dealt with newcomers of the Jewish faith, find that their service providers and their clientele are extremely diverse, coming from all different groups. They've essentially adapted to the demands and the needs in their catchment area. Also, organizations like the Muslim Community Services in Brampton and Mississauga not only help people of the Muslim faith; they're right across the board. As you know, even organizations like COSTI, which started off in the days of the late Senator Peter Bosa by dealing with that wave of newcomers from Italy and the Mediterranean area, now deal with the new reality of Ontario's newcomers.

I guess the question is about the effectiveness of whether—the only preliminary conclusion I have is that there are so many dynamic changes from day to day in terms of different parts of Ontario. I look at areas like Kitchener–Waterloo and the immigrant patterns and the fact that Toronto is no longer the only place newcomers are going. They're going into Peel region, York region, Kitchener–Waterloo, Hamilton, the Niagara Peninsula. I just think it's a very dynamic demographic shifting that's taking place, so I can't really say conclusively that an ethnocultural approach would succeed. But certainly the reality is that you have to be flexible because of the changes that are taking place physically in a community, in a catchment area and the client demands you may have to adapt to.

Mr. Marchese: Maybe staff might want to comment on whether or not this has been on their radar screen, or whether they've received complaints about this and how they've dealt with it.

Ms. Andrew: The ministry funds both generalist agencies, if I can call them that, and ethnocultural/ethno-specific agencies. I think our major focus lately has been on making sure that clients, when they go to whatever agency, can get a wide range of services within that

agency; there's labour market information, ESL information, other settlement service information. That's really the focus. Obviously, in and around Toronto, the GTA area, ethno-specific agencies might be more popular than in some of the smaller communities where sheer volume means it's not likely there is enough. It does vary across the province.

Mr. Marchese: OK. Fair answer. Thank you.

I want to get to the issue of professional accreditation. For many years, I have been attacking, wherever I possibly could, the federal government in its role in not helping immigrants who come to this country. The federal government brings thousands of people in every year, and has been doing so for a long time, and then simply sends them off to the provinces with very little support, particularly Ontario, as we know. It includes federal Liberals and the Conservatives before them. But the Liberals, since 1993, have done absolutely nothing on this file, except that recently we've heard Martin talk about our need to take advantage of the talent pool that's coming—as if we didn't know this 10 or 15 years ago.

The immigration rules in terms of who is able to come to the country are very clear, very specific. So the immigrants that we've attracted in the last 15 or so years have been professionals. The government has known for a long time who is here and the skills they've got. For a long time, they've done nothing to warn them that there might not be the jobs in the professions they're coming with, and they've done little or nothing to help them to adjust once they're here. Do you agree with me in that regard?

Hon. Mr. Colle: The reality is that Ontario had 125,000 newcomers come last year—many of them, as you said, well trained—and another 125,000 this year and another 125,000 next year. We are charged with settling them. But we are asking for more coordination in terms of the reality. If Canada is graduating 14,000 engineers, should the federal program allow 14,000 engineers to come when there aren't enough jobs for engineers? So you have frustrated, very well trained foreign engineers coming into a labour market where there aren't opportunities or there aren't the programs that may get them in to other trades and affiliated professions.

Mr. Marchese: I agree. I think you are agreeing with me. You want to be able to attack the government as well, but you're unwilling to do that because it would be an unfriendly, hostile act. What you're saying, in your nice way, is that we want to coordinate with them.

All I'm saying is that the federal government—the Liberals in this case, since 1993—have abdicated their responsibilities, both financial and social; they really have. A lot of these immigrants who come into the country are working in minimum-wage jobs, as you know, as I know, and as everyone in this room knows. We've done little at the federal level to deal with that. I just want to put on the record my unrelenting attacks on the federal government for not doing much in this file.

As it relates to the access to professions and trades at the provincial level, I personally am worried about the shift of the access to professions and trades unit to a ministry that has limited resources, even by your own admission, has no links with education, has no links with the regulatory bodies that regulate access to the professions and, in my view, has no specific budget for the access to professions and trades—or maybe you do, and you'll tell me. What is your opinion on that, and what will you do to do justice to this unit?

Hon. Mr. Colle: As you know, the genesis of this is that the Premier wants a focused, seamless approach, and a high-priority approach placed on immigration settlement in one ministry. The thought is that we need more attention, more focus, more advocacy on behalf of our newcomers, and that's why we're making this ministry much more robust. As part of that, the access to professions and trades has been brought over from TCU along with the allocation of money—I think it's \$17 million—and staffing. The expertise is coming over to our ministry, so that we can combine the access-to-professions-and-trades agenda along with our settlement agenda, which is really one and the same, and also coordinating our efforts with the new federal agreement, all under one roof. I think we'll be much more effective, much more focused, and we'll achieve some success. Also enriching that is the fact that our ministry is charged with the Thomson report, which deals with removing systemic barriers to the trades and professions.

Mr. Marchese: My problem is that you say that your government wants to have a more focused and seamless approach, and then I look at the fact that this is a ministry that's least funded, with a small budget, flatlined budgets, and I almost don't see the connection. I fear that it won't get the focus that you're talking about. That's my worry.

A substantial part of the programs would function, I think, more effectively under the education, training, colleges and universities portfolio. It's for that reason that, when they had a press conference here at Queen's Park, I was supportive of the people who were at the table not to move it. I assume that that portion of the education budget must therefore go to the access to professions and trades, because education is an important component of APT. How much of the \$6.2 billion allocated to the Ministry of Training, Colleges and Universities will be reallocated to policy and program development on access to professions and trades under your ministry?

Hon. Mr. Colle: As I said, the \$17.5 million is coming over, and in fact I think this year it's even more than that; it's up to \$20 million this year. It averages out to about \$17.5 million.

Mr. Marchese: So whatever amount was there has come directly.

Hon. Mr. Colle: Yes. It's coming under our ministry. It might be helpful—I think you made an important point about the connection with education. In many ways, a lot of the activities of my ministry deal with education, skill enhancement, integration. That's why the Premier has

also taken the lead in bringing ESL for adults under my ministry. Right now, that has been under the Ministry of Education, which, as you know, has a huge mandate to fund everything from junior kindergarten right through to high school. The feeling there again is that ESL needs more attention, more focus, more resources. As you know, there are varying degrees of quality. The training for teachers and the workplace focus have to be enhanced. Therefore, it will be my charge to reinvigorate ESL and make it much more meaningful, much more robust for the newcomers, because the challenges in ESL, as you said before, are immense. We thought it was being lost in that huge ministry and we need to give it more focus.

Mr. Marchese: I raise the same problem, and I have the same problem with ESL coming to the ministry. Whether you were there or not is not the issue. I think ESL is an educational component connected very much to the Ministry of Education. I understand that you could make the connection to citizenship, but I am a bit reluctant to support this move. I know you're saying that there will be a more focused approach, but again, budgets have been flatlined for this ministry. My suspicion is that they will continue to be flatlined. You're picking up important parts of various things that are in different ministries, and you're not going to get the financial support, because my sense is that you'll continue to be flatlined. So a lot of the things that you say you're going to have a focused approach on are going to remain the same as before, with less money.

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Hon. Mr. Colle: That's where we get back to our imminent federal-provincial agreement that's about to be signed. Part of that is an influx, an injection, of \$40 million for ESL spent in Ontario. It also offers a very detailed coordination of ESL between the federal and provincial programs that doesn't exist right now. There is basically not the coordination. As you know, we fund \$50 million of ESL through our school board arrangements. So we've got two or three different delivery mechanisms that aren't coordinated.

The agreement will not only substantially enhance funding for English as a second language; it would also offer the opportunity for enhanced coordination between the federal and provincial program delivery and the service delivery that's done by non-profit agencies. It's an opportunity to make a major infusion of dollars and coordination into ESL, which hasn't happened. If it was a great success, I would agree with you to leave it where it was, but I think we've got to do, and we're determined to do, a lot better with ESL. That's where we're coming from.

Mr. Marchese: So part of this agreement that we are expecting to have with the federal government at this active table is that some money is going to go directly to the agencies, some other money is going to go directly to the province, but we don't yet have a sense of all these details except when it comes out.

Hon. Mr. Colle: Again, I don't have all of that. As I said, most of it will go directly to the agencies, but there will be dollars that will go to—

Mr. Marchese: Like this one, the \$40 million. The deputy seems to have a lot more information in her head in terms of this agreement.

Hon. Mr. Colle: We're getting into details that will soon be made very clear.

Mr. Marchese: You mentioned that there was no coordination between ESL programs provided in the school system and other ESL programs provided outside of the school system. Is that what you would be doing?

Hon. Mr. Colle: With this agreement, what will happen is that the federal-provincial ESL delivery mechanisms will be working together in a coordinated fashion, whether it's on curriculum development, perhaps on setting standards and benchmarks, in the examination of credit and non-credit, in the workplace focusing of ESL. That is not being done now, and this agreement will enable that coordination to take place.

Mr. Marchese: You are going to create a coordinating body in your ministry that will do that, that involves more staff?

Hon. Mr. Colle: Again, with resources that we're going to get from the agreement—

Mr. Marchese: The \$40 million.

Hon. Mr. Colle: —we are injecting money with federal underwriting into ESL. The primary goal is to enrich the program, the curriculum, the training etc. All these initiatives will take place. The critical thing is that ESL has to be enhanced, has to deal with the marketplace realities and the language requirements of our newcomers, who aren't getting it in the present system. It has to get that kind of attention, investment and focus.

Mr. Marchese: As I see it, I'm not sure why the Minister of Education couldn't be doing that. Once this agreement is in place and they get the \$40 million, why couldn't they coordinate that?

Hon. Mr. Colle: The critical thing is the coordination between the Ministers of Immigration federally and provincially on enhancing the outcome of newcomers. One of the key components for that, as you know, is what happens to English as a second language, and, if it's effective; how many people enter ESL and how many go to jobs? Or does it help them get jobs? There's no tracking of that done. Is the ESL suitable for the present marketplace? Is it suitable for people who are coming from diverse countries?

It's not ESL as we knew it when you were on the school board; there's a dynamic change that's taking place. I don't know why you're so opposed to change. I think the status quo has to be improved. It has to be enhanced.

Mr. Marchese: I don't know. I'm just a bit worried about the change, worried that some of these things are going to a ministry where the financial support has not been there. We might not see the enhancement you're thinking of other than the extra dollars we're going to get from that agreement. But everything else, like access to

the professions and trades here that we're talking about, is going to be of concern. Some people say that there may be legal barriers emerging from the experience of immigrant professionals in trying to access their professions, and it will be that much harder to challenge if access to professions and trades is no longer connected to the ministry that has jurisdiction over licensure. I wonder whether that's an issue that the deputy—

Hon. Mr. Colle: That's not the case. TCU really has no jurisdiction over licensing.

Mr. Marchese: Does the deputy or anyone else have a comment?

Ms. Andrew: The Ministry of Training, Colleges and Universities licenses some skilled trades, like electricians, plumbers, carpenters and hairdressers, but they have no responsibility for licensure of professions. Those rest mostly with the self-regulated professions, largely under the Ministry of Health and Long-Term Care, the Ministry of the Attorney General and also the Ministries of Natural Resources and Northern Development and Mines. But the Ministry of Training, Colleges and Universities itself has no responsibility for licensure of professions. We have met, both the minister's staff and senior staff at the ministry, with the community groups that had expressed concerns about the transfer earlier, and I think their concerns are now resolved. We've had a couple of very good meetings with them and expressed the commitment to working together within the ministries.

Mr. Marchese: In your 2003 campaign platform, your party promised, "We will require that all Ontario trades and professions accelerate the entry of qualified new Canadians. If after one year any profession or trade has not eliminated barriers to entry, we will act." Your government has been in office for two years. What happened?

Hon. Mr. Colle: I would say that there has been some significant progress. A lot of the professional bodies have been very co-operative. I talk about the teaching profession. We've had excellent co-operation from nursing. Midwifery has been an exemplary partner. There are over 36 of these professional regulatory bodies that we've been setting up bridge training programs with. We've been trying to accelerate removing some of these entry barriers. I'll say, for the most part, they're very co-operative and willing to work together to remove these barriers. There are, obviously, some obstacles. Some of the professions are saying that their existing mechanisms are quite adequate and that there's no need for them to accelerate and enhance the integration. That is why we commissioned Judge Thomson to set up a framework whereby we could get a holistic approach to removing these barriers, one that is transparent and accountable, and get all the professional bodies to be much fairer, much more open and much more accountable in the way they assess applications for admission.

Mr. Marchese: When was Judge Thomson appointed?

Hon. Mr. Colle: I guess it was within the year.

Mr. Marchese: A year ago or so? Anyone?

Hon. Mr. Colle: We can give you the exact date.

Mr. Marchese: OK. "If after one year any profession or trade has not eliminated barriers to entry, we will act." Do I take it to understand that Judge Thomson may be the only action that you have taken so far?

Hon. Mr. Colle: No. As I said at the beginning, the real success stories are the bridge training programs, where we've had breakthroughs. The nursing program has been a great success. Midwifery—they have already had some success. But some of them are not quite there.

The Chair: I'd now like to recognize Mr. McNeely.

Mr. McNeely: Minister, I'd like to add my words of congratulations to you for becoming the Minister of Citizenship and Immigration. It's very important to focus on settlement services with so many new Canadians coming into this country all the time, so I think it's certainly a move in the right direction.

I haven't dealt much with this issue in my own riding. I think it's because of the type of riding that I have. We're a bedroom community, with two-car homes in most cases. New Canadians aren't in large numbers in Orléans.

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One of the areas, though, that really interests me and is part of your ministry is volunteerism. We were a city of 50,000 when it was Cumberland in 2000. That's when I ran for the new city of Ottawa council and was elected as a councillor. The old city had a good way of recognizing and retaining volunteers, and they were proud of it. We had a local newspaper, and it was quite effective. Volunteerism was a very big part of getting things done in our communities.

With the new city, we lost our community newspapers, and even though the new city has tried, the recognition and retention of volunteers has declined a great deal. It has made it more difficult—you probably recall my raising this—trying to get sufficient community groups together to apply for Trillium funds, which are essential. We have the problem with youth and we have the problem with social services being required, but the structures are normally in the city centre. Probably somewhere around 10% of our people are new Canadians. We have a francophone community of 30%. It's a good community, but volunteerism has become a significant issue for us, and something I've been working on. I have one person doing outreach, trying to get that volunteerism there.

Often, the awards are done through the health, recreation and social services of the city of Ottawa; they negotiate with the Catholic immigration services, which I'm sure gets some funding through them. That's how it's done in a big city, now of 600,000 to 700,000. It's certainly a lot different from Toronto, but it's still a big city from the perspective of where we came from.

As an MPP, I've been trying to do that outreach. We spoke, about three weeks ago, about volunteerism and how you integrate new communities into the overall community. I think it's especially difficult for us.

One of the institutions I felt was quite effective in bringing communities together, of course, is schools. I hope we'll consider how we're going to do that with schools. I was impressed with St. Peter school in my own area—my youngest son would bring the United Nations home every night. One of the things they said was that they didn't see colour. I'm not sure that was true. As a matter of fact, people have told me that's not true in all schools.

Having the experience with the no-smoking bylaw and using the schools and the public health nurses to get that message across, the schools seem to be one of the ways we can accomplish a lot of how we want to better our communities. We could do that through the schools. So I hope we look at the schools. I'm not sure how that involves the ESL money that was coming forward before, but I think schools are a very effective means of getting the message across.

I know that we're talking about new Canadians to a great extent, but volunteerism as a whole is something that is very important. I just want to know how this new ministry is going to help me, as an MPP, to have a more integrated community, have the community more involved and not let communities lose that connection to the overall community, because then you start getting social problems. We're dealing with the results of not acting early enough. How are you going to help me make my community a better community?

Hon. Mr. Colle: Thank you for the question. I think that's the challenge we face, not only for this ministry but also on a local level, when you were a councillor in Ottawa, and as an MPP, trying to get citizen involvement in everything from the cancer society down to volunteerism in the schools.

My ministry actually has the task of engaging and encouraging volunteerism and rewarding and acknowledging old-fashioned good citizenship. We have this amazing program called the Volunteer Service Awards. Eight thousand people get awards every year. Many of the members here have probably been involved and have attended. I know the Chair has been very involved over the years in acknowledging volunteer contributions.

Sometimes people will say, "I volunteered with Girl Guides for 20 years, and this is the first time I've actually had someone pat me on the back and say, 'Thanks.'" All they are getting is a small medal and maybe a plaque, and they're so proud. Their families are there, and they're so thankful that they've been recognized. That is one of the functions of our volunteer secretariat. They go all across the province—those award ceremonies are going on now. I know there was just one in Sarnia. They're a wonderful thank you to our volunteers, who contribute \$6 billion in man-hours to our communities.

Our ministry can help in setting up the apparatuses whereby volunteer organizations have the know-how and the connectivity of information to engage volunteers. As you know, one of the challenges is that when you get all these volunteers, you've got to give them something meaningful to do. Also, they have to be asked in the right

way. I had a doctor complain to me: "I'm a specialist, and I'm retired. I offered to volunteer. They couldn't really plug me into something meaningful. I felt very frustrated."

You mentioned the newcomers. There is a great wealth of potential volunteers. We have to do a better job of reaching out to them in their languages, in their activity centres, and get them engaged in civic volunteerism.

The other one mentioned was the schools. Look at the amazing contributions the schools have made to every form of volunteerism. I was just noticing an article in the paper today about students in Mississauga gathering supplies to help the hurricane victims in Louisiana and Mississippi. The schools are an amazing resource for volunteerism. Hopefully we can do more to engage the schools in a systemic way, along with the non-profit groups in our communities. It's a dynamic thing. In other words, perhaps the old volunteer associations—the Lions Club, the Optimist Club and the Kiwanis Club—have to now be blended into new, more dynamic organizations as their demographics change. I think that's a great opportunity. I look upon it as one of my jobs to get people enthused and to plug into volunteerism.

An inspirational event I had in my early days as minister was meeting with Marc Kielburger and his brother Craig Kielburger: a phenomenal story about how, as young children, they basically saw the need to help children in Third World countries with child labour abuse etc. As we speak, they are going around to schools across the GTA engaging children in volunteering. They have books and workshops. They just had a huge rally in Parkdale two weeks ago. They are doing an amazing job of engaging young people in not only raising funds to help children here in Canada, but using that expertise in helping children in need in Africa and Asia. In fact, I've asked Marc to meet with me again on how to engage in even more opportunities that we can partner with, as a government, in engaging this untapped potential of our schools, our young people and our teachers.

One of the apparatuses we have in our ministry is that we are continually looking for ways to support the activities of volunteer organizations across this province. It's something that sometimes is below the radar screen of the media. But like the unsung heroes of our communities, we have this unsung part of our ministry. What they do all year round is encourage, support and give advice to volunteer organizations, and then recognize. It's an immense task; I think we have about 37 award ceremonies that are organized in communities big and small across this province. It's part of the work this ministry does, and hopefully can do more of, and partner with other organizations and even raise the profile and recognition of our unsung heroes.

The Chair: Thank you, Minister. I want to recognize Ms. Di Cocco for a moment.

Ms. Caroline Di Cocco (Sarnia-Lambton): I just wanted to say that when it comes to volunteers—I think it was about a month ago when we had the event in

Sarnia and there were probably a couple of hundred recipients—it truly is moving, because many of these individuals really don't do the work they do to get recognized. But because we have this program and they do get recognized, it really does mean a lot to them.

I met wonderful people from all walks of life, and one of the amazing parts of it too is that you see individuals who come from various communities, such as the Polish community or the Ukrainian community and other communities within the community, who give so much back. One fellow I met had put in over 50 years of community service and helped build the Polish hall in the area. It truly is a great program.

I remember the very first time I attended. I believe Mr. Jackson, the former minister, was in my area. That was about four years ago. I just wanted to say that I think it's one of the most relevant programs that is there, and I certainly hope the ministry continues to do it in such a wonderful way, giving these small pins. It's just the fact that you recognize them. It was an amazing event. I'm sure you find the same thing when you attend them as the minister.

Hon. Mr. Colle: Yes, and I think it's such an incredible act of good faith for the government to do more of that. The rewards are on both sides, because we leverage so much work in a community, whether it's in a hospice or helping the mentally ill or in cancer wards in our hospitals—the incredible endless hours of volunteering. Getting back to Mr. Klees's question, it's part of the tradition and part of the customs we have as Ontarians and as Canadians that makes us, I think, a unique society. That's why we have to do this outreach and do this connectivity with people from all walks of life, asking them to participate and, as they participate, to say thank you for that participation. We can't do enough of that.

The Chair: We're nearing time for completion.

If you might allow just a quick question, Minister: Were you able to look at perhaps expanding the program through northern Ontario? I know it was one of the challenges I had as minister. It was rather expensive, but those small communities really appreciated it. I wonder if you might take it under advisement to look at it. I did it one year. I had to reduce costs in order to extend it, and I just recall very vividly how deeply appreciative people were that they didn't have to drive 300 miles to get their pins.

Hon. Mr. Colle: In fact, I had a conversation just two weeks ago with MPP Mike Brown about the ceremony he had up in Manitoulin and the response. I couldn't agree with you more, if there are ways of getting that enhanced in those remote parts of the province.

The Chair: We will recess until 1 o'clock. We have confirmed that Minister Papatello is available at 2 o'clock. Mr. Klees has indicated that that would be a good time for questions for her, and we expect her attendance for not more than 20 minutes this afternoon.

The committee recessed from 1154 to 1302.

The Chair: I believe in this rotation we are going to recognize Mr. Klees for 20 minutes.

Mr. Klees: Minister, I want to follow up on a matter that I raised with you earlier today. It related to a 14-year-old girl in York region who's facing a forced arranged marriage within the month. She's meeting, as I indicated, with social workers today. I'd like to know what you as Minister of Citizenship and Immigration feel should be done—yes, in regard to this specific circumstance, but none of us would suggest that this is an isolated event. So I'd like to know what you as minister intend to do.

Hon. Mr. Colle: I'm not quite sure what this has to do with estimates, but I certainly would like to see more information on it. Without having any information on the individual case—I'm not sure whether that case is before any tribunal. I think it is not appropriate for me to comment on a specific action, given this occurrence is fairly recent—you said today or yesterday. I think it would be premature for me as Minister of Citizenship and Immigration to in any way intervene with a solution to an issue that seems to be very sensitive, very complex. I don't know, as I said, where it quite fits with estimates.

The Chair: Minister, we'll determine if it's outside the scope of estimates, but clearly it's inside the scope of estimates.

Mr. Klees: I will perhaps deal with this in a broader context. You as the Minister of Citizenship and Immigration have the responsibility, clearly, for settlement issues. We had a good exchange at the very outset of these hearings this morning, where I think both of us agreed that it's imperative for newcomers to Ontario to become apprised and familiar with their rights and the laws of this land, particularly as they relate to family law issues.

As we look at the estimates, as we look at your plans for the upcoming year, I would like to know from you where in these estimates there is provision made for that kind of education and informing of newcomers, specifically related to this aspect. I'm asking you this question especially in light of the Premier's very clear direction with regard to shariah law, the Premier's very clear statement that there is one law for all Canadians, all Ontarians. Yet, since that pronouncement, there has been zero initiative on the part of the government to educate people in this province about what that Ontario law is for those who have come to Ontario from other jurisdictions where shariah law or other legal frameworks exist.

So I'm asking you, what specific plans do you have as a ministry to address this? Have there been discussions with other ministries to deal with this issue? What resources are being made available under which line items in the estimates?

Hon. Mr. Colle: As you know, Mr. Klees, in the funding of settlement programs, which are so important, there are orientation programs, there is information given on where to access information, whether it be educational, whether it be Access Ontario programs, federal programs. So the settlement services do a variety of this outreach. They're the first contact organization for newcomers, and we fund those programs. That's one of the

reasons why we fund them, so that there is an introduction, an acclimatization, to the settlement issues.

Some of it has to do with just a lack of support, a lack of feeling comfortable, a lack of knowing who to turn to. So the settlement agencies do that, and we fund those. That is a very important function of the settlement agencies and the work they do. In that, they transmit the basic procedures, the basic approaches that we have in Ontario, that we have in Canada, what Canadian governments do, what Canadian ministries do. That's their first introduction and I think it's a very valuable one. That's why we feel it's very important to invest in these settlement agencies and why our government has been very aggressive in saying, "You have to invest in newcomers and you have to do it in a meaningful way"; it hasn't been done for a number of years. So we can't blame the newcomers, who aren't perhaps given the opportunity to know more about Ontario, more about the cities, more about Canada unless you have an emphasis on immigration and settlement issues and it becomes a priority of a government. That's why we've made it a priority. We feel that there needs to be a more serious investment in these orientation programs. In the orientation programs, there is that meaningful role that these settlement agencies play. That's why we're very glad that with the new federal agreement, there is going to be a substantive increase in these settlement programs, where we can enhance the good work that many of these settlement agencies do. In English as a second language, there are other opportunities, where there is citizenship and basic civics given in English as a second language. We want to do that even more as we are enhancing the investment in ESL. There's another great opportunity.

So I think we take that very seriously. We're going to continue to invest in that because we need that investment. You can't just blame the newcomers if they aren't given the direction, the support, the orientation. That's what settlement programs are all about, and that's what we are funding and want to fund even more. As I said, we're very glad to see that the federal government is going to quadruple the funding in these programs, and that's why they're so needed.

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Mr. Klees: Minister, that's why I'm directing these questions to you very specifically. No one is blaming newcomers for not understanding and not knowing what the laws and what their rights, privileges and responsibilities are. I think we agree that that is a responsibility of your ministry, and of course a shared responsibility with the federal government as well. They have the lead on immigration, but surely there's a reason, there's a purpose, for Ontario having a Minister of Citizenship and Immigration.

The Ministry of Labour, as you know, provides multi-lingual information about employment rights. Here we are dealing, in the example that I've put forward to you, with crucial human rights and family law issues. My very specific question to you is, what plans do you have as minister, given that we're looking at your estimates for

the coming year, to incorporate this kind of information into those front-line services that are being provided? With all of the orientation information that is now being provided, is there a plan, given the context of this discussion, to incorporate these important human rights issues into that orientation program? And if there hasn't been a plan to this point, would you undertake to ensure that there will be?

Hon. Mr. Colle: I'll tell you, one of the things that we're very proud of is our investment in making interpreter services available for newcomers who don't have English who appear before the courts, who appear before tribunals, who appear in situations where they need an interpreter. We have just enhanced the investment in that interpreter service being available across Ontario. I think we're the only province that does that. That was a significant investment we've made. In fact, we're even going further in that we are not only looking in the long term for the first time in the history of this province, we are establishing a standardized interpreter language service curriculum within our community colleges. I announced this two weeks ago, in conjunction with Information Niagara. That is a first, whereby people who don't have English as a first language and who may come from another cultural background are going to have access to interpreter services that will enable them to be essentially represented properly and to have their case heard properly if they are in a quasi-legal situation. I think that is a very critical investment we've made in our ministry to help give protection to men and women who may not have the ability to essentially represent themselves properly. In fact, one of the allocations was for training for settlement services for immigrant and refugee victims of violence—\$306,000. So we are doing our part.

Just to let you know, we as a province spend essentially the same amount of money on settlement services as does the whole federal government. We are stepping up to the plate as best as we can, and that's why we're saying it's time for the feds to also recognize our needs and recognize needs for newcomers. That's why we're so happy to see that they finally recognize that.

The Chair: Minister, if I might interrupt you, to be helpful here, as the Chair, I think the question was: Are the civil rights of Ontario citizens covered in the new settlement program orientation? If we could at least have the program outline, then that would clear up any misconceptions or lack of understanding in that area. If we could have the program guidelines for the newcomer orientation—I think that was the question. I didn't hear an answer. If we can get that, then we can establish if in fact these people do get any kind of orientation about what their rights are as a citizen of Ontario. I think that's really what Mr. Klees's question is.

We'll proceed, but if we could ask for that, that would be very helpful. Then I believe they were asking, if it doesn't exist, would you undertake that?

Hon. Mr. Colle: I've said there are a variety of orientation programs that are offered by the 79 agencies across this province. A lot of them deal with this

awareness, this orientation toward the laws, customs and traditions of Canada. I mentioned the specific program of interpreter services, which is about rights—the right to be represented properly. I made a specific reference to the line item of \$306,000. We're more than happy to offer even more, if you like, in more detail.

The Chair: We got a full answer to that. I was referring to the other question, which was the program guidelines, if we can have those tabled. Mr. Klees, do you have some further questions?

Mr. Klees: Thank you, Mr. Chair. I appreciate your assistance with the clarification on that.

Minister, I commend you for the announcement and the initiative on the interpretive services. I don't mean this to be a confrontational discussion. I'm hoping that you, as minister, will share my concern, as I trust will every other member of this Legislature, that the money that is being spent by your ministry is in fact going to be effective for these vulnerable newcomers to Ontario. That's what we want.

I know there are programs out there. I know there are orientation programs, and it's good that we have interpretive services available to people to understand them. I think, given the circumstance I have just put forward to you as an example, you as minister would want to assure yourself of the fact that the programs that are available incorporate these very specific issues of rights that I referred to here. So I look forward to seeing the specifics relating to these guidelines, what the program involves, and hopefully also see the corresponding financial support for this. Again, my concern here is that the settlement services' support, the amount of funding that your ministry has, has effectively flatlined.

If there are these additional issues that we need to address, as you admit yourself, and you're hopeful they will come from the federal government, we're not sure whether that framework agreement incorporates a flow or a requirement for certain of these measures to be undertaken as part of that agreement. That's really what I'm getting at in my question. I'm hoping we can get your support, as minister, to take the initiative on behalf of Ontarians.

Hon. Mr. Colle: Certainly, the whole rationale of our supporting newcomer support and settlement services is because we feel that newcomers deserve help and that government has a role in helping newcomers. That's why the Ontario government has been aggressive in funding these programs and advocating on their behalf. That's why we've taken their case to the federal government and that's why the federal government has acknowledged that they need to invest more in Ontario into those very programs that are helping vulnerable newcomers. That's why I think it's very positive that that kind of investment will be made to protect the vulnerabilities, whether it be the inability to speak English or to know more about their rights. All these enhancements that are coming forward as a result of this federal-provincial agreement are a positive statement of our government's serious intention to make immigration settlement and all the rights and

protections for newcomers a priority of this government. This is a pointed mandate that I have.

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Mr. Klees: Have there been any coordinated discussions between your ministry and COMSOC perhaps or the Attorney General with regard to the specific types of issues that we're talking about here and the need for communication and an awareness campaign?

Hon. Mr. Colle: I think I'll let the Minister of COMSOC answer that specifically in terms of the Women's Directorate and that specific case you mentioned and the programs they have.

The Chair: If I may, the specifics of the case you've raised are more appropriately put to the Minister of Children and Youth Services. The question really is, is it the role of the children's aid societies to intervene in the arranged marriage of a 14-year-old in Ontario? Is that deemed by the state to be a person at risk and a child protection issue? That's really the area of that specific question.

I was trying to make sure that the discussion was of a general nature, about advising people of what the laws are in this country, as new Canadians. When we get that program outlined, we'll be able to have some of that detail.

I'm now going to recognize Mr. Marchese for his 20-minute session.

Mr. Marchese: Minister, we were talking about trades and professions before lunch. I had given you a quote from your own 2003 campaign about promises: "We will require that all Ontario trades and professions accelerate the entry of qualified new Canadians. If after one year any profession or trade has not eliminated barriers to entry, we will act."

You said that some progress has been made in some areas and that there are difficulties in others. Let me tackle one area you mentioned where you've had some good results, with the teachers. Have you told the College of Teachers that they have to eliminate barriers?

Hon. Mr. Colle: Specifically, I have not directed the College of Teachers to do anything, but certainly my staff has been involved in approaching all regulated professional organizations about opening up access. I know that we established and have been working on a program called the alternative teacher accreditation program for teachers with international experience out of Queen's University. That has been a program with success.

There is also a bridging program to prepare internationally trained teachers through the College of Teachers. This is a comprehensive, multi-component program to facilitate and expedite the entry of internationally trained teachers into Ontario's publicly funded schools. The project assists participants to better understand and access support services.

Then there's another program called the Teach in Durham project. It addresses school shortages in subject areas for teachers to implement a 17-week course for 12 internationally educated teachers in math.

So there have been some investments that we've made, and they have been successful. The only—

Mr. Marchese: OK, so let me ask you—

Hon. Mr. Colle: If I could just—this might help.

Mr. Marchese: I have a few questions, so you'll be able to throw it in anywhere you like.

Hon. Mr. Colle: OK. Thank you.

Mr. Marchese: Your ministry staff have been in contact with the teachers, but no specific direction has been given to them to say, "We want you within a specified period to break down the barriers." Is that correct, more or less?

Hon. Mr. Colle: My staff doesn't have the statutory powers to order a regulatory body, especially one that is, I think, under the Ministry of Education, to take specific actions. We don't have that authority. But we certainly have been working with the College of Teachers and other professional organizations to achieve certain goals. I said that some of them have been quite co-operative and achieved success.

Mr. Marchese: I understand. You remember, the reason why this was moved to your ministry is because you wanted to be able to focus, to give it enhanced powers, to make it seamless, all those kinds of questions, but you have no statutory power to order them to do anything. So we wonder about what powers you have in the ministry to be able to get them to do anything, including your promise to say, "If after one year any profession or trade has not eliminated barriers to entry, we will act." I'm worried about what it is that in fact you can do. Has the College of Teachers produced any sort of action plan to eliminate barriers that you are aware of?

Hon. Mr. Colle: We are aware of the fact that they've been co-operating with our ministry on these bridge training programs that we've done in conjunction with them.

I would also like to mention that one of the concerns is the number of teachers: Is there a shortage or isn't there a shortage? That's been raised recently by I think the OECTA magazine or one of them saying that the surplus is over, or the fact is, there no longer is a deficiency in the number of teachers in the marketplace. But we have worked with them, as we've worked with the Ontario Nurses' Association, we've worked with the midwifery association, with the pharmacists. These have been very successful.

Mr. Marchese: And others. That's why I want to go through this, because I know there are problems. You may be working with the College of Teachers, as you say, but I don't know what evidence there is of an action plan.

Let me ask you another question. If I was teaching in Chile for 10 years and I arrived in Canada, would I be treated any differently than an Ontario-born citizen with no qualifications?

Hon. Mr. Colle: So you're coming from Chile—

Mr. Marchese: If I have 10 years as an experienced teacher in Chile and I come here, would I be treated any

differently than someone in Canada who has no qualifications?

Hon. Mr. Colle: I'm not quite—

The Chair: First of all, I don't believe this is a question that falls within the scope for the minister at the moment, if you're asking about teacher certification approval in the province of Ontario.

Mr. Marchese: It's a different question, Chair, but I appreciate your trying to intervene and getting involved. I'm not sure that's your job, necessarily.

The Chair: I normally don't; it's just that I'm surprised at the range here, when we're dealing with teacher certification issues.

Mr. Marchese: But, Chair, if the minister and the deputy minister decide that's not within their purview, they might tell me that.

The Chair: I think the minister was about to tell you he was wondering if this is within his purview.

Mr. Marchese: He thanks you for that.

Hon. Mr. Colle: I legitimately was asking myself the question, do I really have the knowledge of the certification requirements for that specific case of a teacher? I could get back to you and find out through discussions, either within our ministry or the Ministry of Education. I'd be more than happy to try to find that out.

Mr. Marchese: You mentioned—or at least within the circulars that come through the ministry—the Teach in Ontario program. The Teach in Ontario pamphlet that's given to foreign-trained teachers states, "The project does not change any of Ontario's current licensing requirements. Instead, it provides information, advice, language upgrading, and preparation for employment in Ontario's publicly funded schools." How can your ministry say that the Teach in Ontario program has eliminated barriers to entry? What does it have to do with accreditation?

Hon. Mr. Colle: I could just mention, as regards Teach in Ontario, in less than 12 months, 367 participants have obtained their licences through the program, exceeding the overall project target of 288 by over 30%. So they've exceeded the target. That program has been quite successful in newcomers obtaining their licences through the program.

Mr. Marchese: So what does Teach in Ontario actually do? That's a better question; it's clear.

Hon. Mr. Colle: I can get the information on the exact details of that.

Mr. Marchese: Either one of these ministry staff? They probably know.

Hon. Mr. Colle: Yes. If you'll just hold on a minute, they're going to try and get it.

Ms. Andrew: The program was transferred a week ago from the Ministry of Training, Colleges and Universities.

Mr. Marchese: Oh, I see. We're fresh on that one.

Ms. Andrew: We'll get the details and get back to you.

Mr. Marchese: The previous ministry issued a performance report last January saying that some 300 to 500 people would receive support from Teach in Ontario.

So you wouldn't know whether there are firm numbers, whether those are firm or firmer or—

Hon. Mr. Colle: I just read you some firm numbers.

Mr. Marchese: The 370—

Hon. Mr. Colle: That 367 participants have obtained their licences over 12 months. That's exceeding the target, which was 288.

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Mr. Marchese: By 30%. I got that. I wrote that. So you have some figures but not others.

Hon. Mr. Colle: I think that's an example of the type of success.

Mr. Marchese: But what you said is that 370 obtained a licence.

Hon. Mr. Colle: Yes.

Mr. Marchese: My point was that Teach in Ontario does not provide licences. It does something else, but it doesn't actually provide a licence.

Hon. Mr. Colle: My understanding is that it facilitates the transition for the newcomer applicant going from their accreditation/experience back in their country of origin and getting up to speed, you might say, in the skill set to become a teacher in Ontario. It helps them.

Mr. Marchese: If that is so, why don't we simply limit ourselves to saying, "This program facilitates, helps them." Whether or not they actually get a licence as a result of this Teach in Ontario, I'm not sure. I don't know whether there's a direct link—maybe there is—but it would be nice for some ministry staff to confirm how all that works. I would not communicate this false sense of connection between Teach in Ontario providing assistance for this, versus "They get their licence," because that's the way you present it.

Hon. Mr. Colle: Do you want to go ahead?

Ms. Andrew: I think what the bridging programs are specifically aimed at is taking what is required to get licensed and providing upgrading and preparatory courses for aiming at the passing of those tests. It's not necessarily 100% linked but it's like going to school: If you go to class, you're more likely to pass the exam. So it is about creating a course that's aimed specifically at passing those licensing exams.

Mr. Marchese: I understand that. You've got a bridging program, but you don't have any information on your notes that talks about how many of these people, as a result of the bridging program, were able to become teachers, do you?

Hon. Mr. Colle: I just gave it to you.

Ms. Andrew: It's 367; that's the number.

Mr. Marchese: That's part of the bridging program?

Hon. Mr. Colle: Yes. That's the success rate.

Ms. Andrew: That is the bridging program.

Mr. Marchese: So Teach in Ontario, which provides information, advice, language upgrading and preparation for employment in Ontario is actually the bridging program?

Hon. Mr. Colle: Yes.

Mr. Marchese: OK. I'll just write beside it that that's the bridging program.

Ms. Andrew: It's one of them.

Mr. Marchese: One of the things it does is to bridge these things.

Hon. Mr. Colle: There are other programs.

Mr. Marchese: OK. So the 370 who obtained licences: That's a number that has been somehow confirmed; we know that because we asked them. Do we know how we get to that number? Do we just ask those participants, how many of them, as a result of this—

Ms. Andrew: I believe it was provided by the College of Teachers.

Mr. Marchese: How much do the four organizations that manage Teach in Ontario get funded by the ministry for running this project? Do you have that information?

Hon. Mr. Colle: I don't think we have that right here but we can get that for you.

Mr. Marchese: OK; thank you. If you could also get the information, are they all granted equal allocations? I suspect that maybe they aren't.

The other question you may or may not want to answer today is, what measures are you taking to monitor the success of the program and ensure they are spending money effectively?

Hon. Mr. Colle: I can say generally that we look for outcomes and results in terms of how many did get licences—that's the type of information we do track—and how many were successful. I know we've done this with nurses and pharmacists. After they go through a bridge training program, we ask, what's the success rate? How many got their licences, got their accreditation; how many were hired?

Mr. Marchese: So the way we determine success is by the outcome? The report states that 280 teachers are expected to become licensed, and now we have a firmer number coming from the other folks, which is 370—90 more.

Hon. Mr. Colle: They're exceeding expectations in that program.

Mr. Marchese: Do we have a number that says, if they achieve 300 or 350, then by that outcome we measure the success in that way? Or would you agree with me that someone also should be supervising whether these programs are actually run well, effectively, and for that reason are leading to this kind of outcome?

Hon. Mr. Colle: That's why we have overall project targets when the funding is granted to these bridge training partners. Those are definite criteria: "What's your target, and do they achieve the target?"

Mr. Marchese: My point is that you need to send whomever you've got—what we call field supervisor types or field workers—to see how these programs are going.

Ms. Andrew: My understanding is that the staff that transferred also monitor the ongoing effectiveness of the program.

Mr. Marchese: The way they monitor it is that they actually go to the local agencies serving immigrants—World Skills, the Ontario College of Teachers, the Ontario Teachers' Federation, Skills for Change—and

see how the program is working. Is that what you think they're doing?

Hon. Mr. Colle: We first of all establish performance criteria, targets. There is very careful monitoring of the performance of that organization. It could be a college like Durham College; it could be health information services; it could be university professors in Ontario out of the University of Ottawa. So there are different partners that we have agreements with and they're usually pretty credible and have track records, like a teachers' college.

Mr. Marchese: I agree with you. I'm not disputing the credibility of these organizations; that's not the point. I know they do good work, each and every one of them. My point is that other than having targets and/or outcome targets, which are like outcomes, the monitoring involves actually seeing them do the work. That's what I'm saying. I'm suggesting that the ministry should have some more effective supervisory role other than just looking at outcome.

Hon. Mr. Colle: We also get reports back on the achievement; we get endorsements; we get correspondence from successful students that go through the process. We've had excellent feedback from midwives, nurses and pharmacists who have gone through these programs. The feedback from the participants has been excellent and the targets have been met, and in some cases exceeded.

Mr. Marchese: I understand. All I'm arguing is that a report from an individual who gets quoted saying, "This was great," and a report by a board or one of the four groups that says, "This is a really great program and it's really helping out," are not sufficient supervisory models. That's all I'm saying.

Hon. Mr. Colle: If I can just say one other thing: The success rate of these programs at one time—nursing is one that sticks out in my mind. Before we were involved in setting up this bridge training for nursing, the licensing success rate was something like in the 30 percentile. As a result of our investment in this program, there's been an 80% success rate by applicants who've come from other countries. That's the type of measuring stick we use.

Mr. Marchese: Can I ask you, as it relates to outcomes and targets, if 370 have obtained their licence, do you then follow that through in terms of how many get jobs?

Hon. Mr. Colle: I'm not sure whether that is done for specific job success, given that the market conditions are, as you know, quite up and down in the teaching profession. But I can find out whether we do actually find out. I know we track how many attain licences.

Mr. Marchese: It would be useful to me to know, given that you track the outcome of the program. The point of getting the licence is to then have a placement, a job. It would be good to track that. If you've got numbers, I would love to know how many of these people got jobs.

Hon. Mr. Colle: Sure. If we have that available, we'd be more than glad to share that with you.

Mr. Marchese: To be able to say, "Success: They got their licence," but if they don't have jobs—thanks very much.

Hon. Mr. Colle: Ultimately, that's the type of work we do in conjunction with the Ministry of Training, Colleges and Universities. We ensure that what we're doing is not only an academic exercise but that it actually leads to employment and success. We are working on that type of monitoring together. But I'll find out specifically in some of these cases whether there's an exact job number.

Mr. Marchese: That would be good.

In the January progress report, the APT claims there will be \$1.7 million put into the Teach in Ontario program over 18 months. How much of that will be allocated this fiscal year; do we know?

Ms. Andrew: No. We will have to get back to you with those specifics, I think, as the minister said.

Mr. Marchese: And we don't know how many people will be in the program this year either necessarily, or is that a current number?

Ms. Andrew: We know that for the 18 months, the target was that 288 people would be licensed, and we know that to date 367 have been. So those were targets established for the life of the project. How the funds flowed by fiscal year, I don't have that information here.

Mr. Marchese: Right. What does that work out to in terms of dollars per client? Could you get that information as well?

Ms. Andrew: Yes.

Mr. Marchese: Thank you.

The Chair: You have one minute, Mr. Marchese.

Mr. Marchese: Given that I only have one minute, I will simply give up that minute to say that when we come back, we'll talk about engineers.

The Chair: Thank you. I'd like to recognize Ms. Di Cocco, please.

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Ms. Di Cocco: I have to say, Minister, it certainly shows that having a minister and a stand-alone ministry for citizenship and immigration is a visible sign of the importance of the scope and the work that has to be done in that area in the province of Ontario. I think we're at those crossroads, if you want, whereby the makeup of Ontario, as diverse as it is today, will continue to grow in that venue. That's certainly my observation.

I come to this topic having been a child of immigrants in the 1950s, and there's a different immigrant today than in that era. Canada, particularly, was growing, and they wanted workers—unskilled labour, basically. I just happen to have co-authored a book on Italian-Canadian immigration, and so I did quite a bit of research on that topic. At that time, the pact between Canada and Italy, for one, was to get unskilled workers to help build the cities and towns and railways and so on. The face and the education level of those immigrants in those days was certainly vastly different, coming from Europe. Today, the immigration is coming from parts of the world other than Europe, a great deal more from other parts.

One of the things I found when I was in opposition was, I went to my English-second-language class, which, by the way, is held at the Y. I think Mr. Marchese was suggesting that English-second-language was in the school system or under the Ministry of Education. But in our area, what appeared to be happening, although I think it had some input, was that it certainly had moved out of the schools and into the Y for a very long time. They had been there with English-second-language teachers to be able to, again, learn the language and so on. It came to my attention at the time that there was a book that had been in print that had helped. When you talk about specific tools to help provide information to new immigrants to assist them with understanding what their rights are—understanding, for instance, how you go to school: What do you do to get your child into school? I guess these books were written in different languages. I know that the English-second-language teacher said to me, "This was one of the best tools that we had, but they stopped printing them." She said that it was in about 1996, 1997. I could be wrong; it was a while ago. It was a tool that was given by the Ontario government to every new citizen when they arrived in Ontario. Basically, it was a very practical book, and she thought it was such a shame that it was eliminated from the budget at the time.

To me, I think that the whole notion of full participation in Canadian society is probably the most difficult aspect of this whole process of integration or the whole process of how we help to assist in this integration process. The need for immigration is certainly being seen very quickly in—I don't know if you know this, but in Sarnia-Lambton right now, there's a huge, huge construction influx. I know that they are looking to the States, they're looking to anywhere to get skilled construction workers. I spoke to a number of the plant managers there and they say that they're having a very difficult time. They're trying in eastern Canada, and of course the West is booming, and they're having a very difficult time finding skilled workers.

In all this rhetoric, or in this discussion, I don't know how much involvement—I know that we're working very hard right now in attempting to facilitate this full participation. I think that's what the ministry is doing. Maybe you could expand on some of the programs. I know you've talked about them before, but I'd certainly like to hear about them again, some of the programs and some of the changes that are being created in citizenship and immigration because of this new ministry. This ministry is not just an adjunct to another ministry; it's a stand-alone ministry. All of these things that I've talked about are, in my estimation, looking at the future of what is going to be needed so that we can help these new immigrants become full participants in our society. It's a very general, broad question.

Hon. Mr. Colle: Yes. I know that you've taken a serious interest, and in fact you've written a very familiar book on the subject of immigrating to Canada, and certainly I am connected with your book in many ways. It's always the symbol of the suitcase, you know?

I would say that one of the most telling comments you made is about the different immigrants and the different expectations. When immigrants came to Canada in the post-war years, generally speaking, they had limited levels of education. I think their expectations were essentially to get a job and take care of their family, and being given the access to freedom and the privileges of Canada, the right to look for work and find a house. That was their hope and their dream. A lot of them fulfilled that hope and dream just through hard work with picks and shovels and taking the worst jobs, as newcomers still do today.

But the newcomers who come today—and it's a hard one for people to appreciate—70% of them have some kind of post-secondary education or training. They are generally skilled, they're well-educated, from all fields—skilled trades right into the professions. They have great expectations and hopes that they will come here and transition into Canada and Ontario and be able to practise in their field of accreditation.

That is where I think the challenges are greater now, because of higher expectations, different expectations, and that is why we've also, in discussions with my colleague the Minister of Training, Colleges and Universities, talked about having a proper labour market agreement with the federal government to ensure that the newcomers who come here match the labour markets here. That has got to be done. That's what is being worked on in a positive way too, and to also meet the skills shortages that we have. We do have skills shortages in our skilled trades, in our construction trades, truck drivers. There are skills shortages. That's the critical part of our discussions with the federal government, saying, "We have to have this cohesion and co-operation with your immigration policy and the needs of the Ontario economy," because if we don't do that, you're going to create enormous frustration, lost potential and skills that are basically going unused and unfulfilled.

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That is why there's been a different emphasis in the last couple of years on the program we call bridge training, which is essentially quite a departure from the approach of just dealing with settlement issues. We connect the newcomer's skills, training or apprenticeship in the country of origin and transition it to getting a proper job placement in an Ontario hospital, school, factory or office place, where they can practise their accounting skills or their nursing skills. The bridge training projects are focused on that different kind of immigrant, so we have to have very sophisticated programs with the College of Pharmacists, with the nursing associations, with all of our professional organizations, so that can take place in an orderly fashion based on their criteria, their professional body's goals and objectives. That's the big thing. That's why we're spending \$17.5 million on this.

In years past, there was very little money spent on bridge training. You never heard of it. I think it's a manifestation of this new immigrant who needs this link,

because many of the skills they've learned even in the construction trades and other trades—and I've talked to the labour unions about this. They're saying they also need enhanced skills programs, transition programs, because they have newcomers in their midst who want to be electricians, form-fitters, whatever it is, but they need that kind of transition through some training program. So you have to invest that money to enable that transition.

Ms. Di Cocco: It's interesting when you talk about the different types of immigrant and the different programs that are needed today. I remember when there was an attempt—I was quite a lot younger than I am today; it was about 30 years ago at least, if not more—at developing an English-as-a-second-language program. I was involved locally with trying to evaluate the new community that was evolving there. When they were putting together the program, the English-as-a-second-language teacher had started to do things in grammar and all of this, and I thought to myself that many of the immigrants who had been coming there did not have a good grasp of grammar in their own language because the educational skill was so different. We ended up changing the program to fit a more practical use of the language. Rather than going to the teaching of the grammatical aspects that many of them couldn't relate to in their own languages, because they had so little education, it was more of a practical nature. So when you were talking about that, I thought about that point in time many years ago.

Again, in the context of the role that municipalities have—because you're talking about all the various co-operation that's needed at the various levels of government. Immigrants settle in municipalities, facilitating a larger role for municipalities in how they can assist immigrants in finding whatever information they need and so on. I understand that.

In this whole agreement that is going to be coming forward, what role do you want to see or are you hoping to encourage when it comes to municipalities? That probably hasn't really been spoken about as much. It's quite an important role they have because a lot of newcomers relate to the place that they go to, and in a lot of countries the municipal government is more important to them than the other levels of government. I guess I'm just asking the broad question about what kind of—how do I say it?—process or agreement do you hope to see when it comes to the role of municipalities and your ministry together?

Hon. Mr. Colle: One of the areas that has been pursued and is an integral part of our new immigration focus is that part of the agreement we're signing with the federal government is going to include the role of municipalities in immigration. They are going to be recognized as partners in immigration in terms of the Ontario Ministry of Citizenship and Immigration proceeding on this agreement. They are integral partners, and we recognize that. In fact, one of the templates we have is the role of municipalities. They are involved in immigration decisions. They are impacted. In fact, we have discussed this with AMO. They are happy that we

are including an emphasis on the role of municipalities in the new immigration agreement because it's a necessary part of success. We find them very helpful because they are in the front lines. Sometimes they're supporting the same agencies we are in trying to help newcomers. They're impacted by immigration in many ways.

I talked to Mr. Bill Fisch, the chairman of York region. He is very interested in this file because he knows that a growing number of newcomers are going to York region. He's very optimistic that the signing of the agreement will enable his region to be much more involved and proactive in meeting the immigration and newcomer needs in York region.

I think that's the other reason why in our Ontario portal, where we do Internet gateway outreach to prospective newcomers, we're also going to profile potential communities. We have a working group of municipalities that has decided to put forward the names of four or five municipalities to start off with as potential venues or goals where immigrants may wish to settle. Sudbury and Hamilton, I think, are a couple that are going to be on the Ontario Web site, which says, "Here's what this community has to offer"—language, job opportunities, education opportunities. They are an integral part of this new approach to collaboration with the federal government as they start to seriously fund these newcomer programs.

Ms. Di Cocco: I certainly hope Sarnia-Lambton gets on that as well, because I know there's a real interest in attracting newcomers to that part of the province.

I'm not sure how much time I have left, but I'd like to pass it to Mr. Milloy.

Mr. John Milloy (Kitchener Centre): There's a minute or two left?

The Chair: Three minutes.

Mr. Milloy: All right, because I wanted to get into a broader issue.

Actually, Minister, I'll start with the event that you and I attended a few weeks ago in my riding, at the Kitchener-Waterloo Multicultural Centre. As you remember, they had just opened up a new facility, a building in downtown Kitchener. Despite the fact that there was torrential rain, they had hundreds and hundreds of people out, and you were able to speak. I know they were very appreciative to have you there representing the ministry.

The K-W multicultural centre, as its name would imply, works with various ethnocultural communities within the area, but it has a strong presence in terms of newcomers and, through your ministry, they receive money for the newcomer settlement program.

At the risk of asking a question which I know you'll want to spend a few minutes answering—maybe we can get started on it, and this is building upon Ms. Di Cocco's question—I just wanted to look at the whole issue of these agencies, the newcomer settlement program and your vision, as a new minister, of the role they're playing and the support the program provides, how that is achieving certain goals.

Hon. Mr. Colle: I find that the newcomer settlement programs we fund, the community-based agencies, are critical partners in delivering these front-line services, again, by dedicated individuals from all over the world who are putting in volunteer time, who are putting in sweat equity. They are amazing places, dynamic places. I've been so impressed by what I've found, like at the Kitchener-Waterloo Multicultural Centre.

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That's where the future is. If you look at Kitchener-Waterloo, it's a dynamic, knowledge-based economy that's growing. The number of newcomers going to K-W is increasing dramatically, because they're going where the jobs are, where they feel comfortable. It is really a partnership between us and the government. Then, as the services and the orientation are provided and the integration takes place, the newcomers feel fulfilled, or certainly feel good about themselves and where they live, and Kitchener-Waterloo thrives on their success.

I can't say too much about the history of that centre. I think it was founded by a Canadian of Chinese origin—I think his name was Norman Lynn—who found obstacles to getting a job. He dedicated his whole life to setting up that multicultural centre, and now you have a building. I think it's a testament to so many great stories, whether it's Norman Lynn or Michael Lazaridis, who came to Canada as a poor immigrant, and look what he created. How many more Michael Lazaridis's are there in this province who hopefully we can help and nurture to achieve that success? That's what I think K-W and the multicultural centre are all about.

The Chair: Thank you very much, Mr. Milloy, and thank you, Minister.

Mr. Klees: Chair, I note that Ms. Papatello is here.

ONTARIO WOMEN'S DIRECTORATE

The Chair: We welcome her to the table.

Hon. Mr. Colle: Shall I stay?

The Chair: Minister, you can stay if you wish.

I've already explained for the record the unusual nature of the stratified estimates for this ministry, Minister, and we welcome you as it relates to matters under your ministerial authority, known as women's issues, in the Office for Women's Issues.

Mr. Klees has the floor for up to 20 minutes.

Mr. Klees: Thank you, Minister, for the opportunity to put some questions to you. First, a broader question: I note from the estimates that the Ontario Women's Directorate underspent last year to the tune of almost \$4 million. I'd just like your comment as to whether it was overbudgeted or underutilized. What is the reason for that?

Hon. Sandra Papatello (Minister of Community and Social Services, minister responsible for women's issues): Thank you, Chair, for your generous welcome of me to the committee. I've been waiting for the last 10 years to be on the other side at the committee table, I

have to say. I hope I enjoy it as much as I did the other side over the previous eight years.

Mr. Klees, I appreciate the question, because I think it's important to note that the whole essential plan for the Ontario Women's Directorate, as you know, is focused on the domestic violence action plan that was tabled in December last year. All of our work through our first term will be the implementation of that domestic violence action plan. A significant new portion of the plan involves a public education campaign, which we started working on from that announcement in December. The work is not completed on the public education campaigns where we're targeting ages eight through 11 and 11 through 14. What we did find is that we had to do a significant amount of focus group work, and work on the ground to see that the messaging we need to use in those public education campaigns is right, and that has taken us longer than we anticipated. We had hoped that it would be launched by this past September, and that accounts for some of the spending that hasn't happened yet. We anticipate, though, continuing to spend, because we still have a significant public education campaign to go through. It is a matter of timing, and we anticipate that we will continue to spend all the money that's available in the Ontario Women's Directorate, and I will say right off the bat that it is not enough.

May I say to the Chair that today I have, on my left, Andrea Maurice, as well as Susan Seaby. Andrea is with the accessibility act, which was a part of the citizenship ministry and has since moved to the community and social services ministry, and I appreciate that there may be questions around that. Susan Seaby is one of our fine staff people in the Ontario Women's Directorate. I may get help with some of the specifics from our bureaucrats.

Mr. Klees: A question that I put to Minister Colle, and now am putting to you, is that there is some \$3 million allocated under this budget for implementation of the ODA. I'm asking you to give us some detail in terms of how that \$3 million is going to be spent. It seems like such a paltry amount for such a huge undertaking. So unless there's money elsewhere, perhaps in COMSOC or somewhere else, I don't see how you're going to even begin this task with \$3 million. But please, I'm anxious to hear.

Hon. Ms. Papatello: I appreciate that question, because I think it is an enormous undertaking, and we're very excited about it. As you know, the previous government had begun the work on accessibility and tabled the ODA at that time. A significant number of members who are still in the House today likely understand the vast nature of change that needs to happen across communities.

The \$3 million Mr. Klees references is in fact an increase to \$7.2 million that the directorate actually uses. They augmented the base budgets, because they figured we're going to need that as the bill becomes law and we start moving to the next stages. We're now in the middle of all that, so we can't tell you how we're going to need it. We just know that we went to the central agencies and

said we were going to need some backup because we are introducing a major piece of legislation and we need some help.

Essentially, the addition of \$3 million will support a lot of the back office work, as they call it, in the development of standards development committees, the standards development advisory council that would report to the minister on standards being developed. All those things will take some resourcing, but not a lot, because we are expecting to go into the communities, on both a volunteer basis and a business basis—advocates, some of whom may be disabled, but with business expertise and certain skill sets in standards development across many sectors. Those kinds of committees are going to need support. They're not going to need a lot of support, but they are going to need, for example, transportation assistance to come in, if the meetings are being held in Toronto; for that matter, they may be held in Ottawa or Windsor. So while it doesn't seem like a lot, it is in fact support for those committees to get to work.

The directorate is what we like to call a small but strong unit that works across the government, Mr. Klees, just as it did when you were a member of cabinet. You saw the work the directorate does with other ministries to enhance accessibility, to have every ministry table accessibility plans. That is the ongoing work that the directorate does, in addition to having worked extensively on the act that was tabled and is now passed.

Now we are moving into that next phase of developing those standards, and I think that is where the rubber hits the road, as they say. A significant amount of work, rolling up your sleeves and getting to what those standards are, is going to start now.

Mr. Klees: I'd like to move on to another issue. We had some discussions with Minister Colle regarding his responsibilities as Minister of Citizenship and Immigration in terms of settlement issues, ensuring that newcomers to Ontario and Canada are fully aware of the legal framework within this province and this country, particularly as it relates to their human rights. Given the recent discussion and your government's pronouncement relating to shariah law, for example, clearly there are people who come to this province from other jurisdictions where there is a very different framework of family law. I put to Minister Colle that it should be one of the goals of government here in Ontario to ensure that people who come here know what their rights are, and know what their protections are under the law.

I referred to a situation in York region where today a 14-year-old girl is having meetings with social workers. The reason for that is that she is being forced into an arranged marriage within the month. She approached her teacher, who called in a social worker. This is a specific circumstance, and I'm not asking you to comment on the specific circumstances, but I'm sure this is indicative of other circumstances, whether they relate to this or to divorces and so on.

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I want to ask you, as minister, in terms of making provision within the estimates, within the budget of your ministry and within the budget of citizenship, what plans are there to ensure that citizens of this province can be fully made aware of what their rights are? Since the Premier's pronouncement that there is one law for all in Ontario, we have heard nothing by way of education or information, so that people can know what their rights are. I would think that is something that, as a government, you would want to undertake. I'd like to know specifically, do you have plans to ensure that this kind of information is part of your information campaign which you said you were in the process of planning?

Hon. Ms. Papatello: I very much appreciate the question. It would be extremely concerning to any woman and any man and any MPP in the House that we would hear a story like that in your own riding around a very young woman who may or may not be forced into a marriage. That would be a concern to all of us, and as the minister responsible for women's issues, it would concern me greatly.

I can tell you that the whole discussion around shariah in Ontario provided us with an opportunity to do outreach with many, many groups and allow us to have a conversation with them, either with my office directly, the Attorney General's office directly or the former Attorney General Marion Boyd, when we asked her to consult on the Arbitration Act itself. We did extensive work. In fact, it was the Ontario Women's Directorate that lent all the staff support to the Boyd discussions and consultations and then to the writing of the report.

What we know and what we've been able to adapt from that is exactly the kind of plan that we are now going to enact, which includes a significant education campaign around people's rights in Ontario. But what we recognize is that this is the kind of information that people need to know before they may even be choosing to come to Canada. That tells us that the kind of outreach we need to do goes beyond just Ontario's borders. We have to work with our settlement houses, with the federal programming that exists out there, with embassies around the world, so that anyone who is making their way to Canada understands what their rights and responsibilities are when they come to Canada. In particular, when people are destined for Ontario, they need to understand what their rights and responsibilities are when they come to this province.

That is the work that we are now undertaking as a function of that. You will hear in very short order our full response to the whole shariah question. As you know, the Premier made it very clear publicly over the last couple of weeks. It is now our job, because there is some legislation required in the Premier's remarks. We are now working on it so that it will be public in very short order. A significant part of that will be the role of the Ontario Women's Directorate to do the education that you've referenced. We believe it's necessary. We are making arrangements within this budget process, within

OWD's budget, to be in a position to do that extensive education work.

Mr. Klees: Can you tell us how much you're allocating for that initiative?

Hon. Ms. Papatello: That's going to be part of an announcement that will be out very shortly, and I know this member will be very pleased with that.

Mr. Klees: Which line item would that be found in?

Hon. Ms. Papatello: It's coming out of one of our grant programs. Susan, can you tell me the line?

Ms. Susan Seaby: It's coming out of sort of a variety of—

Hon. Ms. Papatello: You know what? We'll find that information and we'll direct it to you.

Mr. Klees: OK. If you could do that. Could you provide us as well with the broad outlines for that initiative, where we can see the specific type of information that you are asking to be included in that?

Hon. Ms. Papatello: We've already done some extensive discussion and dialogue with groups out there whose expertise we're going to count on for this. There are a number of organizations, legal background, etc., where we've already started the discussion with them to say what it is that we need to tell them and what is the best application. In many cases, it isn't just the content; it's the way they're going to learn. It's not going to be a matter of just putting pamphlets up in a grocery store in a particular neighbourhood. That is not necessarily the best way to outreach to people who may or may not be engaged in the general community. So we have to do some extensive work on the method of delivering our message as well, and we have been consulting with groups on the best way to do that.

Mr. Klees: Can I assume that a large part of that initiative is going to include the various settlement agencies across the province right now, that you'll be providing them with written material and other resources that they'll be able to use?

Hon. Ms. Papatello: Yes. As I say, written material may not be the best medium in every case.

We intend to work with all of the agencies that are funded by various levels of government that exist in all parts of Ontario, and go beyond Ontario's borders to embassies outside of this country so that we have access to people before they even land on Ontario soil.

Mr. Klees: Minister, with regard to the specific issue that I did bring to your attention, can I ask what you feel that you as minister should do in response to that information?

Hon. Ms. Papatello: Which one are you speaking about, shariah and the public education around that?

Mr. Klees: The case of the 14-year-old.

Hon. Ms. Papatello: I wouldn't mind having some follow-up with you directly about the case. We don't know the particulars; we just know the larger issue. I have to tell you that that would be a concern not only to a women's issues minister but to any of us, that people are doing things of their own free will, that people are of an age of consent as well, and that a young woman is going

to be safe in this province. I think that you and I should have some follow-up.

I appreciate that there are privacy concerns, but I think you and I will be very respectful of that. I'm happy to do that with you.

Mr. Klees: I'd like to leave one other example with you that you need to keep in mind as you prepare your information program. Toronto lawyer Loftus Cuddy brought this to me. He tells of working with a client who was presented with a laser-printed divorce certificate that he had received from the imam at his mosque. The man's wife believed that she had been divorced because she'd been presented with this document. She also believed that under the terms of this arrangement, her property rights had been removed. Now, this is a resident of Ontario who has gone through what in her mind is a very legitimate process. The man attempted to proceed using this divorce certificate in various aspects of his business. Ultimately, the Ontario court shut this down, but again, it's an example of the kind of thing that is taking place in our province.

I believe that a responsibility of the government is to ensure that there is information in the public domain specifically targeted to immigrant communities so that people know what their rights are and what the consequences are as well. I leave that information with you, and again urge you to ensure that there are enough resources available within your ministry, and as you work with Citizenship and Immigration, to ensure that this is the kind of information that is on the front lines, that's going to protect the rights of individuals in this province.

Would you care to comment?

Hon. Ms. Papatello: You're giving a very good example of what Marion Boyd found when we did send her on the road to do significant consultation around this. Our largest issue has been access to information. It was one thing to hear anecdotal stories like the one you presented, but because of the way the Arbitration Act has been since 1992, there is no place to go in and check in the box to see how these arbitrations, or whatever they might be seen to be, actually fared. There was no way to check that.

We discovered that what all of us needed, frankly, was a complete education around the Arbitration Act: what it actually means; what happens at them; how do people to come to do that; what kind of expertise is required in order to be an arbitrator? What we saw was that significant improvements were required. This has been the act since 1992, over the course of three governments now of every political stripe. I can say that, and none of us, frankly—many members of the committee have been here since 1992, or at least some part of that—knew what was happening out there. So the exercise was very worthwhile in many, many ways. What we know now is that we've got to collect that information so we can at least tell that it's being used appropriately. Despite that, I think there may be coercion going on in communities that we are not aware of. That is why something that is on the

services side and not the law, which is public education, is the only way we're going to combat that. We can't have a system today that, with changes that we may be bringing in, is going to drive this kind of activity underground. That's why education is going to be absolutely paramount, why we need to set aside funding in the Ontario Women's Directorate to address that, why we've already started our outreach with groups who have the kind of information and the methodology required in what medium is appropriate for this message to those communities, wherever they may be.

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Mr. Klees: Minister, thank you. You know, obviously, that these things are happening. I just ask you this question: Why has there been such a deafening silence on this issue? Why have we not heard more from the government, why have we not already seen in the media, why don't we already have initiatives on the part of the government to get this message out and begin providing this information?

Hon. Ms. Papatello: I think it's fair to say that our government is certainly taking a different tack than the last governments have in terms of paid advertising. If I had my way, if I had my druthers, I would be running commercials at the taxpayers' expense on the wonders of the current McGuinty government. We can't do that any more because we brought in an act that said, "We're not spending taxpayers' dollars on what may be seen as partisan advertising." Where we used to, in opposition, watch Mike Harris in commercials, we don't have access to that.

However, I wouldn't mind making Mr. Klees aware of the enormous amount of correspondence that we've engaged in with people very directly. Moms, dads, brothers and sisters, regular folk in every part of Ontario, have e-mailed, have called and have written to us, and we have responded very directly in terms of how we feel about shariah law, about its place in Ontario, about how we have to respond in terms of public education. Moreover, we have had significant consultation amongst many, many groups. Mr. Klees acknowledges the anecdotal nature of this discussion, that where you don't have a system that actually collects data to tell you something for sure, you sort of have to respond by your gut. That's been one of these issues. You start to get a sense that there is something out there that we need to be worried about, that we have to be mindful of. When it comes to women's rights, when it comes to women having access to information so that they can make informed decisions, this is one of the areas where a number of community leaders need to be commended for stepping forward, in sometimes very uncomfortable circumstances, as you know, amongst their own cultural group to say, "You need to know what's going on, because these are the people we've met." Even though there's no record per se in a courthouse somewhere, or there isn't the big box collected of all arbitrated decisions, we have a sense that something is out there and we have to respond to that. I appreciate that you may or may not see that, that we

haven't corresponded directly with your office on this. I can tell you that a number of these groups that are based in the GTA, which you represent, have had significant correspondence with us.

Mr. Klees: If I can just make the comment, how disappointing it is that you couldn't resist making a partisan comment about my urging you and your ministry to make very important information available to the public.

Mr. Marchese: Welcome, Minister, to this committee. I'm not the women's critic; it's Marilyn Churley, as you know. I hope to represent her well. On two parts of this portfolio that you have, I've got five questions, one on women's issues and the other as it relates to the implementation of the Ontarians with Disabilities Act.

There have repeated calls for a comprehensive strategy to address sexual violence. You said last October to the Toronto Sun that your domestic violence plan was broad enough to address all types of violence against women. But your domestic violence plan does not address all types of sexual violence. For example, it doesn't include funding for programs to deal with sexual harassment or measures to address it and it doesn't include sustained support for rape counselling services either. My sense is that you probably agree with that.

Hon. Ms. Papatello: I'll let you finish your question.

Mr. Marchese: Given the quizzical nature of that look, I would just ask it a different way: Is there a sexual violence plan that includes this?

Hon. Ms. Papatello: First of all, let me tell you that you make a wonderful replacement for Marilyn Churley, but don't tell her I said that because I have a lot of respect for her as well.

I will say that for the first time in 13 years—in fact, since 1993—sexual assault crisis centres have received a funding increase of 10%. That was the first time in 13 years that this organization of people who work across Ontario to support people who have been the victims of sexual assault have seen one dime. Mr. Marchese, you recognize that, because your group was the last group that had helped them at all, and they've not seen any assistance since that time. That was part of our first year of funding and funding improvements. It was in the order of hundreds of thousands of dollars in every region of the province. That's significant, because they do a tremendous amount of outreach in their communities that speaks to the kind of education that's required in this sector.

I think you'll likely acknowledge that the domestic violence action plan is extremely broad. We have been extremely aggressive and fulsome in what we've intended to include in the plan, and it has to include that. Whether we're talking about sexual violence, domestic assault—

Mr. Marchese: I'm happy—

Hon. Ms. Papatello: I'll just finish my thought. It does come down to issues of control and authority. It comes down to how people feel about gender equity, about real equality of gender, gender relationships and how healthy they are. The most significant thing I believe

our government is going to do, the most important part of that domestic violence action plan, is to address the public education campaign. That \$5 million that is going to be put toward public education over our term of government, which is a record investment, absolutely has to get at changing attitudes. While our target is eight to 11 and 11 to 14, it has to target people's views. As you know, we have to change attitudes.

Mr. Marchese: I'm not disputing that.

Hon. Ms. Papatello: That's a significant amount of investment. That's my answer.

Mr. Marchese: I want to get to that. Getting to gender equity is a long haul, and we acknowledge that—at least some of us men acknowledge that. In terms of doing a public education campaign, that has to be sustained, because I suspect it's going to have to be there permanently. We don't dispute that.

That 10% increase is better than nothing, obviously. I don't know what that means by way of money. Can you tell me what the 10% increase means?

Hon. Ms. Papatello: It was \$1.9 million.

Mr. Marchese: I know you would like to spend more if you could and if you had it.

Hon. Ms. Papatello: Absolutely.

Mr. Marchese: And you're lobbying the Premier and others in the cabinet saying, "This is not enough."

Hon. Ms. Papatello: On a regular basis.

Mr. Marchese: We believe you, of course, because that's what you do.

Hon. Ms. Papatello: That's what I do.

Mr. Marchese: Of course. If I hadn't been a minister, I wouldn't be able to know these things, right?

Hon. Ms. Papatello: To appreciate that. OK.

Mr. Marchese: I know how that works, by the way, because that's what ministers have to say.

As I understand it, what you have provided is one-year funding. Some of the groups, like the sexual assault services—what we know is that you are giving one-year funding for sexual rape crisis centres. Is that correct?

Hon. Ms. Papatello: That's annualized operating money. That funding is annualized; it's not once.

Mr. Marchese: So this is not one-year funding; it's annualized. OK. Obviously, some of this information is not clear to some people. I'm glad to hear it's annualized, because we desperately need it. As you pointed out—

Hon. Ms. Papatello: We would have had a very hard time, because of what the sexual assault centres do with the money. This is program funding. We can't have them hiring additional staff, for example, to move into a greater part of the region for one year. They simply wouldn't do it.

Mr. Marchese: Exactly. I was about to criticize you and your government on that score, but given that you have said it's annualized—

Hon. Ms. Papatello: Let's take this opportunity for kudos and bouquets.

Mr. Marchese: It's tough, I know. I hate to praise you from time to time.

But the money is welcome because they haven't had an increase, you say, in 13 years. Other groups say 10, but it doesn't matter.

Hon. Ms. Pupatello: It's a long time, yes.

Mr. Marchese: Moving on to another question, I have an article by Pamela Cross. Pamela Cross writes an article in the Ontario Women's Justice Network. This is dated March 11, 2005. She says you are announcing a commitment of money. What she says is that some of these commitments included dollars previously announced by both this government and the previous Conservative government. She also says that it's often very difficult to determine exactly what money is new, what is old and what is money being taken from something else and given a new name.

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In relation to that last point, you closed the school-based services program, which is \$1.37 million, and transferred it to a priority initiative under the domestic violence action plan. For your reminder, I have information that says that the school-based services program offered both teacher training on domestic violence and counselling services for children who witness violence in their homes. I'm assuming these issues remain important to you. But what you have done, as I understand it, is taken that \$1.37 million, which we know based on information we got from your ministry, and moved it to the domestic violence action plan. That means the school-based plan is gone, as Ms. Cross says. Her point is that this approach is unacceptable, that the government must be told that it has a responsibility to support existing effective programs like this one while finding new money to support its action plan and its focus on prevention.

Hon. Ms. Pupatello: I'm happy to address this. Maybe you can have Pamela Cross come and have a briefing directly with our office, as we'd be happy to provide that as well.

When we had significant consultation with the women's sector agencies, educators etc., what we knew was happening was that in the end—I would go, for example, to an annual general meeting of a shelter, and the first thing I would do is ask for their financial statement. I would get their annual report and look at it, and I would see that in fact they were getting money from the school board. Then I would ask them, "What are you doing with this money that you're receiving from the school board?"

Well, the Ministry of Education would have a certain pot of money that they would then deliver to the school boards, the school boards would have a certain percentage of administration that they would take off the top when they received that money from the Ministry of Education, and then they would take that money and hand it over to the local shelter to deliver a program in the school. So naturally, we realized that that created significant levels of administration on three fronts: the shelters that had to go after the money from the school boards, the school boards that went after the money from

the ministry, and everybody had to have some level of accounting back for that money.

Mr. Marchese: OK.

Hon. Ms. Pupatello: Let me finish; I have to finish this. Number one, we said, "We've got to stop this. We've got to get money directly to the shelters without all these strings," because shelters know what to do in their communities. In almost every one that I've been to, they have outreach programs into their schools—

Mr. Marchese: You're repeating the same thing, because I now understand that.

Hon. Ms. Pupatello: Well, I have to answer the question.

The Chair: Minister, you have, in the opinion of the person who's asked the question.

Hon. Ms. Pupatello: Have I answered your question?

Mr. Marchese: Yes.

The Chair: Yes, you have. Thank you very much.

Hon. Ms. Pupatello: We've got to be straight with people.

Mr. Marchese: I do agree.

Hon. Ms. Pupatello: We can't have so many rules and regulations and get these organizations caught up in administration.

The Chair: Minister, please, we would ask you to respect the process here.

Mr. Marchese: We have to be polite to each other.

Let me understand this. What you're saying is that there is additional administrative money that's being wasted because of one body getting it—

Hon. Ms. Pupatello: It's not going directly to the program, that's right.

Mr. Marchese: OK. My understanding is that the school-based services program that's offered is for teacher training on domestic violence and counselling services for children.

Hon. Ms. Pupatello: That's why I would really prefer to finish the question you asked me earlier. In addition, in our domestic violence action plan, we set aside almost \$5 million in training alone. Not only do we have training—

Mr. Marchese: So let me ask you—

Hon. Ms. Pupatello: Let me finish, so that you know. This is all very important to you.

Across the board, we have struck expert panels in a series of sectors. Educators is one of those sectors. We know what has happened in the area of training, like the one that Pam Cross is referencing, is that we have excellence in some places, but not across the board. We can't afford to have a patchwork of knowledge among our educators. So what we are doing with monies in the domestic violence action plan—which are new dollars directed to this, not somebody else's dollars—is setting out a plan with the educators themselves to develop one methodology of training of educators, and that methodology will be distributed across the board in a uniform manner so we don't have a patchwork of training of educators, which is what was happening in the method of the school board getting money from the Ministry of Education.

Mr. Marchese: So what you're saying is, you've taken the \$1.37 million and that money is going back to the school system, is what you are arguing—

Hon. Ms. Papatello: Absolutely, it is.

Mr. Marchese:—because you are developing, in conjunction with whom, again?

Hon. Ms. Papatello: With teachers' federations, with educators and with the women's sector agencies that have told us who the experts are, so we don't reinvent the wheel. For example, if we have excellence in one program, we need to take that person and make it a province-wide—

Mr. Marchese: I understand. So these programs were going on in the schools.

Hon. Ms. Papatello: Ad hoc, because it's different in every community.

Mr. Marchese: Have those programs stopped or are they continuing?

Hon. Ms. Papatello: They've certainly continued because shelters, depending on where—

Mr. Marchese: They've continued on the basis of what money that you have now withdrawn? When did you withdraw this money?

Interjection.

The Chair: Minister, I will remind you one more time. I am asking you to respect the process for a committee of the Legislature. Your microphone is off, Minister. Can you co-operate with this committee, please.

Mr. Marchese: If I ask you a question—

Hon. Ms. Papatello: I'd be more than happy to talk about it.

The Chair: I'm going to add an additional 10 minutes to Mr. Marchese's time and take it away from the governing party. I will allow you to continue, if you wish to continue in this fashion. Thank you.

Mr. Marchese: The Minister of Education closed the school-based services program in December 2004. Is that correct?

Hon. Ms. Papatello: Depending on the shelter; the shelter determines whether in fact they locally go into the school system for education on a whole myriad of levels. They will go in and do teacher education because on a local basis they feel that's an important part of their job. As an example, with the funding that has been moved to the transitional housing and support programming, in my own area of Windsor, Hiatus House, which has accessed money through the provincial government, has decided that in their expansion of local programming, which is what we want shelters to be in a position to do, they have expanded into the school system. What they don't have now is reporting and access of administration to get at that same amount of money.

Mr. Marchese: I understand. We sent some questions, and the ministry response is this: "The Ministry of Education closed the school-based services program in December 2004." That comes from you folks. "The \$1.37-million funding for the program was transferred to MCSS for priority initiatives" under your domestic violence action plan. "The reallocation to MCSS will allow

funding to flow directly to the violence-against-women sector." Then it says, "SBS offered both teacher training on domestic violence and counselling services for children."

You're adding something that isn't in these notes—maybe it should have been; maybe you should have added it—that somehow, some of this money that went to the board went to shelters.

Interjection.

Mr. Marchese: I know you're telling me that. The Minister of Education closed the school-based services program in December 2004. Are the programs that were being offered under that plan at the time still going on or have they been cancelled, and is this new initiative that you have now put in place, as of when, taking care of some generalized program that you have devised?

Hon. Ms. Papatello: That's right, and because the—

Mr. Marchese: When does that happen?

Hon. Ms. Papatello: The intent of the domestic violence action plan is consistency. What we know happens in this sector is hit and miss. It's a patchwork. We have excellence in some regions and nothing happening in other regions, in school systems, in schools, in women's sector agencies etc. With our domestic violence action plan we have done a complete review, which we spent our first year doing, up until that announcement in December, and we said we can't afford to have patchwork service delivery.

Mr. Marchese: I understand. You said that before.

Hon. Ms. Papatello: I'm going to finish. We can't afford to have a patchwork. We are going to sort out where the excellence is, whether it's a school-based program that attends to children—

Mr. Marchese: You repeat it as if somehow you haven't said it before.

Hon. Ms. Papatello: You're asking me about the money, so if the Ministry of Education is actually stopping that program, we are driving it to be in a very specific, formalized manner across the board.

Mr. Marchese: Minister, try to work with me. I'm trying to ask you questions. I know you've repeated this before and I've heard it, and you make it appear like—

Hon. Ms. Papatello: This is a very important message.

Mr. Marchese: I know, but do you think repeating it three times is helpful? OK. But if I tell you I've heard it, maybe we can stop. OK. So what I was asking—

Interjection.

Mr. Marchese: No, no.

The Chair: Minister, your microphone is not on. You're not being recorded. Mr. Marchese is placing a question.

Mr. Marchese: I'm going to repeat what I was asking. The Minister of Education closed a second school-based services program in December 2004; presumably some good things were happening there. In spite of your claim that there were different programs offered differently in different places, there were some programs going on that were training teachers on domestic violence and

counselling services. I generally think that's a good thing. As of December 2004, that stopped. In 2005, what has happened to replace what was going on in terms of teacher training on domestic violence?

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Hon. Ms. Pupatello: The replacement has been in fact significant. As you know, a shelter sector that saw absolutely no money for 12 years received increases of 3% in our first year in additional funding. So the shelter that you referenced in your first comment, rather than going three or four steps to get at some money for a program in a school, now accesses funding directly. Locally, they can determine what their priority areas are.

Mr. Marchese: These are shelters. What about the schools?

Hon. Ms. Pupatello: In addition, because those are those—

Mr. Marchese: What about the schools? That's what I was talking about.

Hon. Ms. Pupatello: Let me finish. What you don't understand is that it's actually shelters and shelter staff—

Mr. Marchese: But I'm not talking about that.

Hon. Ms. Pupatello: —that deliver the services in the schools. They're actually going in to speak to classrooms and teachers. Those are the people delivering the programs in the school-based program. They are now getting the money directly from the government instead of the three jumps to get at the same amount.

Mr. Marchese: So the shelters are now getting the \$1.37 million and they are now going in to train the teachers.

Hon. Ms. Pupatello: That's right. The difference is that instead of it being ad hoc, or, "Some places do it like this"—

Mr. Marchese: You'll have some consistency. I know; you said that.

Hon. Ms. Pupatello: —it needs to be consistent because we can't afford to have a patchwork system.

In addition, the training of teachers specifically is being addressed by our training portion in the domestic violence action plan in a much more fulsome manner than ad hoc.

Mr. Marchese: So do you now have a consistent approach?

Hon. Ms. Pupatello: We are working on a very consistent approach across the entire action plan, not just in teachers; in physicians, in front-line and in paramedics.

The Chair: Thank you.

Mr. Marchese: That's great. So you're working on a consistent approach. What does it mean? You've got an active table, like Mr. Bentley has an active table on everything. You have an active table. Who's on that active table; what are they doing; when are they meeting?

Hon. Ms. Pupatello: The lion's share of people who are participating for educators are in fact the federation participants. So we have ACFO, we have the French teachers, we have the elementary teachers, we have the federation—

Mr. Marchese: When have they met?

The Chair: Mr. Marchese, she's giving you the list of the individuals.

Mr. Marchese: I know. I'm asking when they met.

The Chair: No. In all fairness to the minister, let her finish. You asked her who was at the round table and then you interrupted her. So let her finish who was at the round table. She will tighten that up, and then you can ask her a question.

Mr. Marchese: Thank you.

The Chair: Finish the list, Minister, please.

Hon. Ms. Pupatello: I think the Chair is being very fair.

We have at least four or five federations that are participating with us. I can't give you the actual dates of meetings etc. I just don't know them offhand. I'm happy to send those over to you, as well as the actual individuals, because I think with your own history and as education critic you probably know these people personally. I'm happy to do that.

Mr. Marchese: Does your deputy minister—

Hon. Ms. Pupatello: The meetings did start last spring, by the way.

Mr. Marchese: I was about to ask. So your deputy minister said that the meetings started last spring. What date was that?

Hon. Ms. Pupatello: I can't tell you that.

Mr. Marchese: Does your deputy know? Anybody?

Mr. Andrew: We don't know specific dates. We can get you the specific dates.

Hon. Ms. Pupatello: We're happy to send that over to you.

The Chair: That will come through the committee. We've made a note of it for research.

Mr. Marchese: Is there a schedule of meetings? Is there a scheduled meeting? You'll send that to me as soon as you possibly can, is that it?

Hon. Ms. Pupatello: Maybe you'd like to submit some information that would be helpful to us as well.

Mr. Marchese: Really?

Hon. Ms. Pupatello: I'm happy to have help.

Mr. Marchese: The question is simple. The point is this: You are so keen on consistency, and it would seem to me that if you want consistency, you need a plan. My sense is that you don't have a plan other than simply saying, "We need consistency." We're told that you had a meeting last spring and we have no sense of what that plan is, when you—

Hon. Ms. Pupatello: That's when meetings started. They are meeting regularly, as are several other panels, not just education.

Mr. Marchese: I'm asking you, with your deputies and others, if you could just send me the list of dates that you have planned—

Hon. Ms. Pupatello: And participants?

Mr. Marchese: Of course—so that we know exactly this plan and how it's working, so that we can get the consistency that you're talking about, which we all desperately want and need. I'm sure the teachers are just dying and waiting to get into that.

The Chair: Mr. Marchese, do you need additional time with the minister?

Mr. Marchese: Yes, I do.

The Chair: That will be diminished from your next round in terms of equity, but I don't want to hold the minister here for another 40 minutes.

Mr. Marchese: Yes, I do have questions.

The Chair: Just as long as you know, I'm stacking your time in order. I just don't want the minister to be here all afternoon.

Mr. Marchese: Quite right. Thank you.

Minister, I just want to read for the record: "Research shows that women are at an even greater risk of violence following their separation from an abuser. Second-stage housing provides women and children a place to rebuild lives in safety and with support. The coroner and others have called for restored funding for second-stage housing programs"—money that they cut.

In the Liberals' election campaign and throne speech, restoring funding to second-stage housing figured prominently, and you say on page 27 of *Growing Strong Communities*:

"There is not enough second-stage housing where women and their children can be safe from their abusers.

"We will do more to protect women and children threatened by domestic violence. We will increase support for second-stage housing, giving women a safe place where they can receive support and counselling."

Have you kept that promise?

Hon. Ms. Papatello: I'm very happy to address this issue. Some of the work we did very early on in our first year was to bring around the table not just second-stage housing but shelters as well, and representatives from every region across the province. Mr. Marchese, what you are probably aware of as well is that there are many places in Ontario that don't have second-stage—I understand there's a philosophical issue; in some places they don't believe in that as an interim step back into independent living—and in some regions they have second-stage.

What we had was \$3.5 million. As we sat down to determine how we could get that money out to people in this way, when we brought everyone around the table to speak to us about it, we realized that if we simply went only to second-stage, we would have whole regions of Ontario that would be getting no assistance. We also know that when shelter use is the thing that's available in a community, it's available 13% of the time. If I can say that in a better way, women use shelters 13% of the time when they're leaving an abuser. What's significant about that data is that 87% of the time, they don't.

What these organizations have had to do, especially second-stage—

Mr. Marchese: I'm sorry, could I ask the next question?

Hon. Ms. Papatello: If I could finish this question.

The Chair: No, in fairness, the rules—and you referenced them when you first arrived today, that you enjoyed the process. That was the process then and it is

today. If the member is satisfied with your answer, then he will indicate that to the Chair and we will thank you for that answer. Mr. Marchese.

Mr. Marchese: What I have is a promise in an election platform that you made. It's easy for you to say after the election, "Oh, but we only have \$3.5 million," as if that's a fixed amount. You have no more money. So you're only given \$3.5 million and you say, "Well, now we have to consult with everybody. I know we made a promise, but now that we're in government and we're consulting everybody, we have concluded"—because a promise doesn't mean anything any more. Instead of designating \$3.5 million in funding for 27 second-stage housing programs, as you promised in the past by way of fixing your signature to documents as the emergency measures for women and children, what the government did was spread this money thinly to 70 agency services for a different program, the transitional support worker program. Some second-stage housing programs did not receive a cent from these announced funds. It's probably fair to say that some probably did.

The point is, that money should have gone to keep that promise and you should have found money to then do what you've discovered is something else that should be done in terms of helping in other areas of need, and you didn't do that. That's the point.

Hon. Ms. Papatello: I think it's important to note that we are not finished our work. I don't believe we're going to be finished in this term the amount of work we need to do to bolster women's sector agencies. I think Mr. Marchese would agree with that. The previous two governments certainly didn't help. His own government, during the NDP years, did not help enough. I think all of us can look back and say that. This is a sector that has not seen the level of support that's required, and all of us have to take part in that and we have to do better.

I will say that the lion's share of that money did go to second-stage. We did have to extend into some shelters because there are simply some parts of Ontario that have no second-stage.

Mr. Marchese: The lion's share that went to second-stage, how much money was that?

Hon. Ms. Papatello: Probably \$2 million of the \$3 million. I can tell you that it all went through the transitional support program, so the program was the same whether that program was offered through second-stage or through shelters. What it means is that it gets to the people in the community. So in accessing the money for second-stage, for example, they're not necessarily just helping women who are within their four walls; they're reaching out to the 87% of women who never come through a shelter, and I think we have to be worried about those women as well.

Mr. Marchese: The point is, they need a place to go. That's why second-stage is so key. I'm not asking you a question. You say \$2 million; we don't see that from the people in the field, in spite of your claim.

I want to ask two last questions on this, because you have responsibility over the Ontarians with Disabilities

Act. Has the government struck the ODA standards development committee yet?

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Hon. Ms. Papatello: There are going to be several and we're in the midst of doing that now. If you go to our Web site—

Mr. Marchese: I don't want to go there.

Hon. Ms. Papatello: You don't want to go there?

Mr. Marchese: No, I'm asking you. You're here. Several? What are they?

Hon. Ms. Papatello: We're working on that. Our first one, where the actual deadline is, is with the advisory council to the minister on standards development. As soon as we're through with that, which is pending—the closure is going to be some time this month; the middle of October. We've extended the amount of time to take resumé's for that advisory council, and after that we'll be releasing information about the sector-specific standards development committees that we're moving on first.

Mr. Marchese: Do you have dates for these things or have some things been delayed? You said you were waiting for more information or whatever. Is that outlined in terms of the plan, in terms of when these things will happen, or will they happen as they happen based on whatever you—

Hon. Ms. Papatello: I can tell you our intent is to move very quickly in certain areas. If I could use an example like transportation, we know there's a lion's share of work that's been done at municipal levels, at regional governments, where—I don't want to say it's easier, because I think this may be quite difficult work. It is a lot of work, but it's also an area where a lot of work is already done. So I think we'll be in a position to move on that relatively quickly. I can tell you we expect that over the course of the next 20 years we're going right across our communities.

Mr. Marchese: I attacked your government on the basis of doing something so very important in 20 years, and some people said they're going to die by that time, by the way, in the hearings I was at. I was very critical of your 20-year plan, as opposed to 10 years, which I think any government could do, by the way. If you can't do this in 10 years, we've got a problemo. The point I made in committee is, the reason for doing it over a 20-year period is because it's going to go very slow.

In the first five-year cycle, what will you be asking the committees to develop standards on?

Hon. Ms. Papatello: I think every committee is going to be required to have standards and implementation in five-year phases, and that's why we have to wait for these committees to come together. I think you're probably aware of the detail of the committee structure, where you have individuals who are people with disabilities, individuals who have a specific skill set as well, and the kind of consensus that needs to be reached at that standards development committee is paramount, for one. Certainly, it goes back to the government for approval and implementation, but they have to set out and come to a consensus that in this five-year phase, this is what is to

happen, and then in this five-year phase, this is what is to happen. That's why it's so important to have these committees doing that kind of good work. They are the ones who are ultimately going to organize for us what those things will be and those time frames.

Mr. Marchese: I know. That's why I asked you, have you struck the ODA standards development committees yet? It's part of your mandate to be able to say, "I want this to happen today." You give them a date and then they go and make it happen. I don't think you've said to your staff, "We will have these standards development committees in place by a certain date." I think you should. Do you agree?

Hon. Ms. Papatello: Actually, if you go to the Web site today you can see that we are doing it today. So if you actually ask us—

Mr. Marchese: So when are the standards development committees going to happen? When will they be struck?

Hon. Ms. Papatello: The closing date for application is the middle of October, which is coming up next week. At that point, we'll have a review of what has come in for those appointments.

Mr. Marchese: How long will that take?

Hon. Ms. Papatello: We don't anticipate that's going to take very long. We're extremely impatient in the area of accessibility, so I can assure you that things are happening very quickly. The kind of feedback we've had so far has been very positive, and if there are people in your own community or individuals you've come across through your critic portfolios, we're happy to see those people as well.

Mr. Marchese: We will follow up with you on another occasion. Thank you.

MINISTRY OF CITIZENSHIP AND IMMIGRATION

The Chair: We'll just ask for Mr. Colle to attend and we will recognize Mr. Milloy.

Mr. Milloy: How many minutes?

The Chair: Ten minutes in this cycle. While the minister settles in, we welcome him back and thank him for his patience.

One of the reasons I gave the ruling just recently was because it is virtually impossible for Hansard to record the kind of dialogue that was going on, so we would not have any form of record whatsoever of that exchange, if I can put it that way. That's why I made the ruling. We'll proceed.

Mr. Marchese: Mr. Chair, we have had no problems with this particular minister.

The Chair: Very good. Minister, welcome back. Mr. Milloy, you have the floor.

Mr. Milloy: Minister, just to go back to the subject we were talking about before we ran out of time a few minutes ago, the newcomer settlement program and the different agencies that deliver it, I realize that we're in the process right now of trying to finalize an agreement

with the federal government on immigration and some of the issues around settlement. Obviously, we haven't finalized that agreement. Right now, the federal government is funding newcomer settlement programs. Just in a general way, why have we gotten into the business and how are we different? Why is it important that we're funding these agencies? How would you anticipate the coordination in the future?

Hon. Mr. Colle: I know, Mr. Milloy, that you have been doing some amazing legwork on this intergovernmental file for a long time yourself, going back and forth to Ottawa. I know we've had very legitimate questions from my colleagues on the other side about the details and the importance of this agreement, why it takes so long and the complexities of it.

The main thrust of my approach has been to say that this ministry is an advocacy ministry for newcomers. If you were to look at this ministry over the last number of years, and at this government and past governments, you can see that overwhelmingly Ontario always has a shortfall due to the fact that there isn't a recognition of the number of newcomers who come to Ontario. It's not only about the dollars; there's also a lack of that co-ordination in federal-provincial programs and provincial programs. There's also the lack of cohesion between the labour market needs and the skill sets we need in Ontario as they relate to federal immigration policies.

We feel that it's critical that we play a significant role in matching what is happening with federal government policies to Ontario's reality, to the delivery on the ground through our newcomer service deliverers, the settlement agencies right across this province. They are the ones that are basically going to be the chief beneficiaries of this enhanced investment in immigration settlement, because they know the needs and they have the expertise. They are in most high-need communities and they will, I think, deliver a great many more services and enhance the opportunities and the success rate for our newcomers, who have multiple needs that go right across the spectrum, as you know. They go from housing to job placement to language issues to just accessing basic civic or provincial services or health cards. All that kind of information seems like a little bit of paperwork, but it's a huge amount of work that sometimes takes one-on-one work. That's the kind of work we want to invest in and that we're asking the federal government to invest in in a substantial way.

Mr. Milloy: Can I ask about the language interpreter services, which I know is another grant that the organization is my area receives? Can you just tell the committee about the outcome of the investments you've put into that and the areas they're working in?

Hon. Mr. Colle: One area we've invested in is the area of helping women from newcomer communities who are victims of domestic violence, so that they will have a proper interpreter with them when they appear in court as a result of some kind of unfortunate domestic violence situation, so that that interpreter service will be

available to those women in need at that time. That is something I think is essential.

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The other thing, as I said, is that we're standardizing a curriculum right across Ontario and making the interpreter skill set much more cogent, much more professional in nature. It's not just a matter of being able to interpret language. I've been told by the people at Niagara College and Information Niagara that it's not enough just to say you know a language; interpretation skills take training, and that's the type of training that will take place in our community colleges. People wishing to pursue a career as an interpreter will be able to take that, and then those interpreters will be out in communities doing work. Whether it be accessing legal services, government services or interfacing with the private sector, those services would be on the ground, delivered by a professional interpreter who has the expertise to serve that newcomer properly.

Mr. Milloy: I'm curious about the training program. How is it going to work in terms of existing interpreters, people who want to get this certification? Are there resources to undertake the training or is this something that an individual would have to undertake and pay for themselves?

Hon. Mr. Colle: First of all, we've funded directly the 10 community-based organizations to provide services in areas including Toronto, northern Ontario, southwestern Ontario and southeastern Ontario. These are 425 agencies across Ontario that provide interpretive services. This deals with thousands of victims of domestic violence. Then there's the special initiative whereby we are putting in a new curriculum that's standardized. Like any other community college course, anybody wishing to pursue that high-level course credit from a community college would enter that and pay that fee, as they normally would in any other community college course that gives them a certificate in that field of expertise.

Mr. Milloy: But are existing interpreters grandfathered in or will they be encouraged or in fact mandated to go and complete the program or complete an evaluation?

Hon. Mr. Colle: My understanding is that it's basically an enhancement of their qualifications if they get this certificate. That's the goal. They'll be certified as having this high-level, optimum-standard course and they will add that to their credit. I'm sure they'll be able to find more employment etc. because of that accreditation that they'll have because of the enhanced program.

Mr. Milloy: Outside of the domestic violence example, are there other needs that are met through the language interpreter service, or is that mainly—

Hon. Mr. Colle: I think we focused on that as a high priority because that was brought to our attention by the community organizations. This was an area that was falling through the cracks, because the newcomers in some cases had no English whatsoever, were before a court and obviously were at a huge disadvantage.

The Vice-Chair (Mr. John O'Toole): There's just over one minute left.

Mr. Milloy: OK, a quick aside: Does someone have to be a new Canadian to benefit from those programs? I know some of the things you occasionally run into are people who are in the country but don't speak the language, or perhaps are born here but do not speak the language because of varying circumstances.

Hon. Mr. Colle: That's one of the features of our provincial programs: We don't have a short time frame. We have much more flexibility than the federal programs. In some cases, there may be a mother who stays at home to raise children for a couple of years and then tries to get into the workplace, and in many of the federal programs, they're not allowed; they're restricted. Our newcomer settlement programs tend to be more cognizant of the fact that there may be long-term newcomers who need that kind of language or support service. So it's not just three months and then you're not eligible; ours is much more flexible.

The Vice-Chair: With that, we'll move to the official opposition.

Mr. Klees: Minister, could we have an undertaking from you that critics would receive copies of the Canada-Ontario immigration agreement as soon as it is formally signed? Could we have that undertaking?

Hon. Mr. Colle: Yes. We will make available whatever is publicly available. That is not a problem.

Mr. Klees: Thank you. I'd like to ask you about the process leading to that agreement. In the letter of intent signed by your predecessor, there's a reference to a municipal committee. Can you just tell us about that municipal committee? Was it in fact formed, and who participated at that table?

Hon. Mr. Colle: I can let you know that I think that was part of our discussions with AMO. Since this was complex and of direct interest to municipalities, they recommended a working committee to deal with immigration issues. In fact, Katherine Hewson of my staff was directly involved, and I will let her give you some specific details, if I could, Mr. Chairman.

Ms. Hewson: The committee was formed. It started meeting in the winter and I believe it met three times. There has been quite a lot of work done by municipalities themselves as part of that committee.

The committee basically identified two types of municipalities, one being municipalities where there's not a lot of immigrants and they really very much want to attract and retain more immigration, and municipalities where there's quite a lot of immigration and their main preoccupation is making sure that better settlement, language training and labour market supports are there for those immigrants.

The committee reported back and has worked with the provincial and federal governments in developing an approach that will involve municipalities in an ongoing way on immigration issues. So they've been full partners throughout that.

Mr. Klees: I'm sorry; I can't hear the speaker.

The Vice-Chair: Perhaps if there are private conversations, you could take them outside, please. Thank you.

Ms. Hewson: So the work of the municipal committee—the first stage, anyway—has terminated. The federal and provincial governments and the municipalities that were invited by AMO have come to an agreement. Those principles will be reflected in the immigration agreement, assuming it is signed.

Mr. Klees: Can you tell us who sat on that committee representing the municipalities?

Ms. Hewson: I don't have the full list with me. We can provide it to you. It was co-chaired by the executive director of AMO. We had a number of municipalities on it. I'm only going to remember a few, so perhaps I should provide that to you subsequently.

Mr. Klees: I would appreciate that.

Minister, with regard to the broader work that you're doing, you yourself referenced, in an earlier discussion, the difficulty immigrants have when they come here expecting to have employment in their trade or their profession, and there's a huge disappointment when they get here. Would you agree with me that the current immigration system is largely responsible for these false expectations?

Hon. Mr. Colle: Yes, I concur. There are some serious problems with the lack of a cohesive immigration policy that takes into account Ontario's needs and the labour market needs. All these issues have no doubt contributed to the frustration that we as the government and the newcomers have experienced. There's no doubt that there have to be some serious changes take place to make it work better for everybody.

Mr. Klees: Specifically, the point system that's currently being used, that effectively, as I understand it, positions people in priority positions to actually be considered for immigration, that point system provides all kinds of preference to people in professions, whether it's a doctor—and let's talk about doctors specifically. What they are not being told at the time of immigration, when they make their application, is that this is all technical, that there may well be a preference and more points given for the fact that they're a medical doctor but that has nothing to do with them actually being able to practise when they get here. So we have people who are graded higher because of their professional training, but no one is telling them that when they get here, they may well have to drive a cab. Are you, in your discussions with Mr. Volpe, addressing that issue, and if so, can you tell us what kind of initiatives you believe should be taken to address this issue?

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Hon. Mr. Colle: I concur that this is a reality that is sometimes very difficult. For a highly qualified doctor—and I've talked to them myself about the frustration they feel, that they come here expecting to practise as a doctor, and they can't. I think part of the problem is that there hasn't been enough work to inform and educate the prospective doctor in the source country about what the

conditions are, the accreditation process, the language requirements.

One of the things we've addressed as part of this overhaul is that we are going to have this Ontario portal at the source, where, when you're thinking of emigrating to Canada, there's going to be information. The federal government is going to do more of that information at source so they know what to expect, what the conditions are and the processes. That's one of the things that is critical to do.

There is also information we provide called Career Maps, in other words, what you have to go through in terms of getting to the end point of practising that fully accredited profession in Ontario. We have already started that part. But there's no disagreement that there has to be a better way of letting people know. It's not as if we're saying we want to attract all the doctors, but if a doctor is choosing to immigrate, we're saying, "If you're choosing to immigrate to Ontario, Canada, here are some of the realities of this choice." Not enough of that has been done in a coordinated way.

Mr. Klees: And as you know, it's not just doctors. This applies to engineers and to all the other professions as well. It just seems to me that there are some practical things that can be done. If you know that you're an applicant and you know you want to come to Ontario, surely, given technology and the Internet today, there are ways to back up that training into the country of origin. If I want to come to Ontario—

Hon. Mr. Colle: Like language, for instance, right?

Mr. Klees: Well, language, or even with regard to some of the accreditation process that certain professions require. Is there not a way that some of that work could actually be done in preparation for the actual immigration while they're in their country of origin, to undertake the studies, to do it via Internet and distance learning and so on? One would think that there are technical things that can be done, regardless of where you're situated in the world, that would then get you ready to transition and to settle in a much easier way in Ontario.

Hon. Mr. Colle: That was initiated before I got to the ministry, and that is why they have aggressively pursued this Ontario portal. Sometimes people say, "That doesn't sound like much. What's an Internet portal?" It is essentially a virtual government office where you might be able to access those special types of accreditation procedures, language enhancement etc., but that gets started at the source country through the Internet. I think that is critical, and we are going to be launching that later this month as a start toward that source country information that gets to the applicant before they get here and get frustrated.

Mr. Klees: Are the various professional colleges working in concert with you in supporting this initiative?

Hon. Mr. Colle: Yes. I've got a list here, in fact. So far we've got the pharmacists, the nurses, the engineering technicians, technologists, medical laboratory technologists all starting to do that.

Mr. Klees: If we could get a full listing of those, I'd appreciate it.

Minister, consistent with this, I have a letter here from the township of St. Clair. I'd be surprised if you don't have a similar letter from them. I'd like to read it into the record for the purpose of having you act on it. It reads as follows:

"Our council has been deluged with requests to have foreign-trained doctors (non-American) permitted to be accepted in the practice assessment program in the province of Ontario.

"Both my council and I feel, with the shortage of highly trained doctors in Ontario, we could alleviate some of the needs by allowing a physician educated and trained in another country than the United States to practise in Ontario.

"We appreciate that they must be supervised and have residency for two years prior to practising.

"We have therefore taken this initiative in asking the province of Ontario to interact with the College of Physicians and Surgeons to:

"(1) ensure that qualified students (physicians) from other areas besides the United States and Canada can enrol in the practice assessment program in a timely and expedient manner;

"(2) ensure that a larger number of student physicians are accepted into the necessary programs.

"We sincerely hope you will support our efforts in this matter, and should you have any questions, do not hesitate to contact me."

That's signed by Joe Dedecker, the mayor of St. Clair township, and there is a formal resolution attached to it.

Minister, I bring this to your attention because once again it's a similar circumstance, where there is an accommodation being made for doctors trained in or having worked in the US but, for some reason, other jurisdictions are being excluded from this opportunity. Can you undertake, first of all, to look into this, if you haven't already, and second, can you shed some light on why physicians from other jurisdictions are not able to access this program?

Hon. Mr. Colle: I do have some information. In one sense, it's very good news that the number of doctors registered in Ontario last year who were internationally trained surpassed the number of doctors registered last year who were trained in Ontario. That's quite a shift. If you look at the 2,650 certificates of registration granted by the college in 2004, 41% were graduates from international medical schools. The American example is what you were interested in: 39% were Ontario medical graduates, 19% were graduates from other Canadian medical schools outside of Ontario and 1% were graduates from US medical schools. So according to these data from the Ministry of Health, it seems that 41% were internationally trained graduates outside of the United States. That is something I'll provide when I get that letter, and I'll be more than happy to pass this on.

This is an area where lot of communities are asking for our help, and hopefully we can start to move this along in a dramatic way.

Mr. Klees: With regard to the practice assessment program specifically, you are familiar with this program.

Hon. Mr. Colle: Yes.

Mr. Klees: Would you agree that this is something the government should look at and encourage the college to broaden accessibility to this program?

Hon. Mr. Colle: Yes. As you know, we are also looking at a whole comprehensive way of getting some kind of transparent, fair assessment process to take place through the College of Physicians and Surgeons and other professional bodies. As you said, it's not just doctors. We have a lot of highly qualified engineers, mechanical engineers etc., who are looking for a fair assessment in evaluating their university—and I'm not trying to embellish this. I'm just saying we have one program that I think is a success story. It's called World Education Services. They evaluate all the university credentials right across the world. An employer or an applicant or a medical or professional organization that wants to evaluate the credentials of a foreign-trained professional can get an evaluation done by this world-renowned body, a world-accepted body called World Education Services. They evaluate over 22,000 of these applications a year. So that's one step in that direction.

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Mr. Klees: Could I ask a question regarding the reference you made to the mandate you have to strongly compete for immigrants for the province of Ontario? When you're competing—I'm trying to get my arms around exactly what you mean by that. You're competing against other provinces for that quota the federal government has set. Can you clarify for me what exactly that means to you as minister?

Hon. Mr. Colle: If you are a person who has chosen to emigrate to Canada from your native land and you want to go to a country that seems amenable to you and your family, we should be there saying, "Please consider Ontario." We should be able to profile, promote and tell these prospective newcomers, immigrants, "Here are some of the opportunities in Ontario," not only, as we talked about before, in the Toronto region but all over Ontario. "These are the opportunities for you, the values of the educational system, the freedom of religion, the beautiful geography and the heritage of this great province." We want to put that up front and let people know about it. Quebec has been doing this aggressively since 1992, letting the world know about the value that Quebec offers to newcomers.

Mr. Klees: I agree with you that Quebec has been doing this, and very successfully, actually. A key difference—I stand to be corrected, but my understanding is that Quebec actually has a presence in the country of origin. There is actually a presence of officials there who have face-to-face interaction with prospective immigrants. Is that what you have in mind?

Hon. Mr. Colle: We're not quite as, let's say, aggressive as Quebec is, because I think they have offices in Damascus, Rio de Janeiro, London, Paris—they're in 10 different centres. What we hope to do, given our modest approach here in Ontario and our first step into this area of being aggressive on this front, is partner with the Ministry of Economic Development and Trade in their offices. They are opening four offices across the world—I think New Delhi, Tokyo, Beijing. We are going to have an Ontario immigration presence in those economic development offices. That's a start.

I've been told by business people, prospective immigrants, "If there was an Ontario storefront in Karachi, in Cairo," or wherever, "you would attract people who want to invest, come to Ontario, start a family in Ontario." It would be a great focal point, because they say they think Ontario has a great reputation all over the world as a safe place to invest and raise your family.

This is a start in terms of profiling Ontario and saying, "If you're considering coming, look at what we have to offer, and we want to help."

The Vice-Chair: That pretty well ends this round. With that, the Chair recognizes the NDP.

Mr. Marchese: Minister, I'm going to try diligently to get through these questions so we can finish today and you can get on to your own business tomorrow, if it works out.

We talked about teachers in the last round. I want to talk about engineers now. Have you or your ministry told the Professional Engineers of Ontario that they have to eliminate barriers?

Hon. Mr. Colle: At present, my ministry is in discussions with them on that very fact. Minister Chambers was aggressively pursuing discussions with the Professional Engineers in terms of being co-operative and being inside in our efforts to get rid of those barriers. We have tried to institute programs, through our bridge training program, to achieve that objective with them.

Mr. Marchese: Do you know whether they have produced any sort of action plan to eliminate barriers?

Hon. Mr. Colle: If I can just get to my tab on what we're doing with our friends in the engineering profession, the one program they have co-operated with us on is the Ontario Portal for International Engineering Graduates. We are investing \$1.9 million in that. The portal will be a full-service Web tool that provides people with information about the Professional Engineers of Ontario, licensure requirements, a comprehensive self-assessment function and an on-line mentoring program to assist internationally trained engineers through the application process. The ministry is currently working through the details with the Professional Engineers of Ontario on a competency-based approach in addressing the 12-month work experience requirement. It will take some time to develop the competency and figure out the course to support these competencies. As you know, the obstacle there is that the Professional Engineers require one year's experience in Ontario. What we are saying to our friends in the engineering fraternity is that we would like some

kind of educational equivalent that could be offered in conjunction with them so they could meet that one year's work experience in Ontario and therefore proceed to be licensed.

Mr. Marchese: Let me get to that, because you raised two things that are of interest to me. You mentioned in your notes, as part of the Portal for International Engineering Graduates, licensing requirements. Do you agree with me that whatever this portal for international engineering grads is, it will not change in any way the licensing requirement for people who have already received training?

Hon. Mr. Colle: What we're trying to do is actually make that change, because one of the big obstacles is that one year's work experience. We are working with them to get rid of that major hurdle, that one year.

Mr. Marchese: But that's a separate issue. I want to get to that, but that's a separate issue.

Hon. Mr. Colle: But remember, this is one of the stumbling blocks, that one year. If you talk to professional engineers who are aspiring to be engineers—

Mr. Marchese: I agree with you, and I want to ask that question. My point is that you've created this \$1.9-million Ontario portal, which provides various things by way of information, right? It's information mostly. It has nothing to do with licensing requirements.

Hon. Mr. Colle: It's also on-line mentoring. There's assistance in taking these applications through the process. It's a support system for prospective engineers.

Mr. Marchese: Just like teachers, then: It doesn't get you the licence, but it helps you.

Hon. Mr. Colle: Yes, to get upgraded to the point—because ultimately, like teachers, these professional bodies have the statutory authority to grant licences. We as a government can't all of a sudden say, "We are going to grant teaching licences." We don't want to change that.

Mr. Marchese: I agree. I understand that. So you announced that the PEO will develop "a college course for international engineering graduates ... that will serve as an option to the 12 months' Canadian work experience requirement for licensure." That's a good thing, I think. How long will this course be? One year?

Hon. Mr. Colle: The equivalency for work experience will be 12 months. Again, we're saying 12 months is our goal, but the time frame has not been finalized.

Mr. Marchese: It could be 10 months or 13. We don't know. It could be longer.

Ms. Andrew: It's to focus on the competencies. The idea is to focus on what competencies you acquire in that one year's work experience and what equivalent competencies could be gained through academic learning.

Mr. Marchese: And you could acquire that competency before a 12-month period, presumably.

Ms. Andrew: I think that is still under discussion.

Mr. Marchese: OK. So it's a bit fluid. All right.

According to your press release, the portal was supposed to go on-line in summer 2005. Did it? As far as I know, it hasn't.

Hon. Mr. Colle: We are still in negotiations with our professional engineering body working out the details of this, let's say, accessibility process through our bridge program. We're actively involved in face-to-face discussions with the engineers in terms of accommodating newcomers by allowing this non-job—you know, it's like Catch-22: "You can't be a professional engineer in Ontario because you don't have the work experience." We're saying, "Let's find a way." We're pushing to say, "Let's find a way of overcoming that."

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Mr. Marchese: Right. Let me say this to you. I have a notice from the June 23 meeting of the PEO, and this item seems relevant to our discussion. I'll quote: "Council defeated a motion to allow the president and CEO/registrar to finalize a contract with the Ministry of Training, Colleges and Universities for the Ontario portal for international engineering graduates. MTCU announced funding for the project in October 2004; however, when the contract was prepared, the ministry had included items that were unacceptable to PEO, including a proposal to develop a college course for international engineering graduates that would substitute for the 12 months of Canadian work experience required for permanent licensure." Is it fair to say that your plans for engineering announced in October are in shambles?

Hon. Mr. Colle: No, because we are taking aggressive steps to get the Professional Engineers of Ontario to co-operate with us to enable these highly trained individuals to get access. We've got a plan, we've got a proposal that's very clear and fair, and we need to get the Professional Engineers of Ontario to sign this agreement so this will happen. We are pursuing that. We have not, in any way, shape or form, removed ourselves from this.

Mr. Marchese: Even though they said no, you're saying, "We're still working on it"?

Hon. Mr. Colle: We are still pursuing it, and we hope that this will come to pass. But this has not been easy. As you know, past governments have never even gone there. We are in direct negotiations on specific proposals on how to get rid of these barriers, and this is a specific example. We're going to keep working at it.

Mr. Marchese: The same notice from the PEO also notes, "a new draft contract dated June 23, 2005"—let me ask you, when did you get there?

Hon. Mr. Colle: Just a few days after.

Mr. Marchese: "A new draft contract dated June 23, 2005, omits the unacceptable conditions," namely, the proposal for a college program that substitutes for the 12-months' Canadian work experience. So this new contract omits that. Why did your government withdraw this?

Hon. Mr. Colle: We could have that explained. I'll let staff do that. Remember, we are in active discussions on this very challenging issue with our friends in the engineering profession. Maybe I'll let the deputy—would it be helpful in the discussion? I don't know.

Mr. Marchese: She's new too, but if they have some knowledge of this—

Ms. Andrew: I think it would be fair to say that the negotiations relative to this particular profession have not been in a straight line. We are still negotiating. We haven't stopped negotiating, and we have not withdrawn the desire to focus on a competency-based alternative to the work experience. The actual programs transferred from the Ministry of Training, Colleges and Universities about two weeks ago are actually in the Ministry of Training, Colleges and Universities estimates, not ours—

Mr. Marchese: Right.

Ms. Andrew: —so I don't have the details at that level. Given privacy considerations, if there's more we can tell you, I will get back to you with more information.

Mr. Marchese: I get the impression that one of those ministry people should have been here to assist.

Ms. Andrew: They had their day yesterday.

Hon. Mr. Colle: You could have called them yesterday. That was my understanding.

Mr. Marchese: That's too bad.

Hon. Mr. Colle: You missed your opportunity.

Mr. Marchese: The problem I have, Minister, is that the new draft contract, dated June 23, omits the condition you're trying to get. I know the deputy is saying no, but that was the contract. My hope is that you're withdrawing that contract and getting back into what you intend to do aggressively with the engineers. Is that it?

Hon. Mr. Colle: All I can say is that because this was under training, colleges and universities, they would have loved to answer that question yesterday, if you had called them. As I said, our intent is not to say that it's in any way something we are putting on the back burner. We're still pursuing that.

Mr. Marchese: I know that, Minister, but you understand how difficult this is. If the other ministry, which has been working on this for quite some time, has not had the success to convince that regulatory body of engineers to accept this course, which I think is a good idea, how is your ministry, which doesn't have any regulatory power over the professional engineers, going to be any more aggressive or stronger or more effective in getting this job done?

Hon. Mr. Colle: This is why we're taking this comprehensive look at having a registration process, an accreditation process that is transparent and accountable through all these 36 regulatory bodies. That is the approach we're going to take. It's not just the engineers. I might say that the majority of them have been fairly co-operative. With some, there are 100 years of history where they've never had any intervention of this kind.

We are going to continue to raise the profile. We're going to continue to treat it as a comprehensive agenda item; it's not just this one line item with the engineers. We are going to move on all fronts in getting some kind of process that is accountable, rationalized and not hit-and-miss from one profession to another.

Mr. Marchese: I agree.

Hon. Mr. Colle: That's what we're going to try to do.

Mr. Marchese: The problem, Minister, is that I don't see this plan from the government. Your promise says, "If after one year a trade or profession has not eliminated barriers to entry, we will act." We're two years into that mandate, and these professional engineers who come from other countries tell us it's nearly impossible to get the Ontario experience they need, and now that that program has been abandoned on the basis that the engineers have said no to the previous ministry, how are they going to get that experience? What are you going to say to them?

Hon. Mr. Colle: That's why we put in these 35 bridge training programs, which are really ways of overcoming those barriers. We've been successful with the nurses, the midwives, the pharmacists. The veterinary college—we've had a very good program. I don't know if you're aware of that. There's a shortage of veterinary doctors in Ontario. They've co-operated with our ministry with that bridge training program—the University of Guelph. There have been many successes. That's not to say we've achieved all the successes we aspire to, but we are going to continue on this, and we encourage—

Mr. Marchese: I know that. You're saying you're going to do your best and so on. All I'm saying is that this bridge training program might help some other professions. For these professional engineers, without that year's experience they are lost.

Your October release mentions that this program will cost \$2 million. What happened to the money since the program is clearly in shambles or not going ahead?

Hon. Mr. Colle: Again, don't be such a pessimist. We have allocated \$1.9 million for this program. We are committed to investing it in this bridge training program for foreign-trained engineers.

Mr. Marchese: It's not working. They need the experience.

Hon. Mr. Colle: After 100 years of neglecting this file, we've got a government that's finally doing something about it aggressively. Just give us a few months, OK? Give us a few months at least. I think the engineers are going to be persuaded to look at the opportunities they may be missing and the role they have to play in ensuring that Ontarians get an opportunity to have these foreign-trained professionals work in Ontario.

Mr. Marchese: All I'm telling you is that these people are looking to the promise that says, "If after one year a trade or profession has not eliminated barriers to entry, we will act." I'm sorry to tell you, they are not going to be comforted by your optimism.

Let me move on, because I'm trying to finish for the day here; otherwise, we're not going to do it.

Hon. Mr. Colle: You're a pessimist; I'm an optimist. OK?

Mr. Marchese: I know.

Hon. Mr. Colle: It's usually the reverse, isn't it?

Mr. Marchese: But I'm looking to the promises; that's all.

Skilled trades: Other than simply asking foreign-trained electricians and carpenters to start at the begin-

ning of their training, what plan has your government produced to acknowledge their previous experience?

Hon. Mr. Colle: That's another area where we have many highly skilled individuals coming to Ontario, wanting to work. There's a shortage of many skilled trades. We are trying to do our best. I've also discussed this with labour union leaders, who have been working on enhanced training and skilled trades transition from skill sets from origin countries to Canada. This is one area where there has to be more work. I can't give you the specific answer on recognition of years in countries of origin, but I'd be more than happy to try and find that out.

1540

Mr. Marchese: In terms of acknowledging their previous experience, has the government done anything to say, "This is their previous experience. We acknowledge it, and this is what it's worth"?

Hon. Mr. Colle: Remember, it's not just government by itself. We have trade unions with collective agreements. We have professional organizations and associations. So they also govern the qualifications and the accreditation. We can't run roughshod over all these trade unions and the professional organizations. That's why we've taken this bridge training approach and are working with them, as I've said.

You're pessimistic, looking at one or two that are not succeeding, but as I said, there's been a major breakthrough in the last couple of years on this front.

Mr. Marchese: OK. Your progress report notes that you're investing \$928,000 over two years to help foreign trade, industrial and construction and maintenance electricians and industrial mechanics pass their certificate of qualification. Do you know how many people have graduated from this program so far? Does the ministry know?

Hon. Mr. Colle: The apprenticeship program is under training, colleges and universities.

Mr. Marchese: When you get that information, it would be helpful to pass it on.

Hon. Mr. Colle: I think we should ask TCU.

Ms. Andrew: The apprenticeship and skilled trades program is the responsibility of training, colleges and universities, separate and apart from international or not. Perhaps you could direct the question to them.

Mr. Marchese: OK. So the other questions connected to this: According to the Web site of Skills for Change, to date, 53 have successfully achieved the status of journeyman by passing their certificate of qualification examination. You wouldn't have any information in that regard? OK. So we'll leave those questions, then, because they're not pertinent to you.

Let's move to doctors and surgeons. Has your government told the College of Physicians and Surgeons that they have to eliminate barriers?

Hon. Mr. Colle: We have, like other professional organizations, indicated in the past—the minister has indicated—that we are looking for ways to allow foreign-trained doctors, professionals, to overcome barriers,

overcome obstacles to being accredited in Ontario, and that's why part of this mandate is divided with the Ministry of Health and Long-Term Care, where they've invested \$26 million in overcoming these barriers to becoming doctors in Ontario.

So there's an aggressive program. I know the minister is allocating 200 spots for foreign-trained doctors, accessing their profession in Ontario. So this is something we do in conjunction, but the lead right now on the medical front is taken by Minister Smitherman and the Ministry of Health and Long-Term Care.

Mr. Marchese: I noticed the following on the International Medical Graduates—Ontario Web site: "Acceptance into any of IMG—Ontario's programs does not guarantee a licence from the College of Physicians and Surgeons of Ontario." So the College of Physicians and Surgeons of Ontario has other regulatory requirements beyond those required by the International Medical Graduates. What's the point of offering a foreign-trained doctor a streamlined process if it doesn't qualify you to practise medicine at the end?

Hon. Mr. Colle: Remember the differentiation between the licence-granting body, which has those powers granted to it by this assembly, going back generations, and the roles and functions of a government ministry that's trying, in essence, to give the prospective applicant the background, the transition information, the acclimatization, you might say, to the Canadian professional workplace. That's what our role is. We see ourselves as a bridge, as a name, a help. We don't grant the medical licence directly.

Mr. Marchese: My problem, Minister, is that—

The Vice-Chair: That's been an extremely interesting discussion, and that ends this round. We'll now switch to the government side.

Ms. Di Cocco: In discussions with the other members, so that we can maximize our time tomorrow with the Minister of Agriculture, we were hoping that we could end with this ministry today, if it's, again, in agreement with all the members. I understand Mr. Marchese was looking to finish up his questions.

Mr. Marchese: Yes. I would like to finish today—

The Vice-Chair: Through the Chair. Ms. Di Cocco has raised a point that the intent in the long-term here is to finish with this ministry today, for expeditious use of time. With that, there would have to be some reconciliation amongst the members. The Chair recognizes Mr. Marchese.

Mr. Marchese: Thank you. Do you have questions after this as well?

Mr. Klees: It depends on how long yours are.

Mr. Marchese: I only have about seven more minutes, I think.

The Vice-Chair: There's a total of 15 minutes left; if we could come to some agreement of splitting that time or something like that.

Mr. Marchese: Let's try to do that. Or, to agree that if we go to 4:10, it should solve it, right?

Ms. Di Cocco: Yes, but we were hoping that—if you have finished your questions, I certainly—

Mr. Marchese: I would like to finish my questions. If I can't finish them, then we have to come back tomorrow. But if we extend the time by a few minutes, then we can finish today.

Ms. Di Cocco: All right.

The Vice-Chair: Any further comments? It looks like we have agreement. The best way, if the government members want time—otherwise we could give Mr. Marchese his seven minutes, and the rest, and then we'll take our votes and we'll be out of here just after four. That accommodates the minister without any inconvenience, I would hope?

Hon. Mr. Colle: That's fine.

The Vice-Chair: Very good. With that, the Chair would recognize Mr. Marchese.

Mr. Marchese: Thank you. Here's the problem I have, Minister, with those remarks. We know that these regulatory bodies are there. We know that you are the government. If governments are powerless, we're in trouble. If we cannot convince these bodies that they've got to change their practices, we are not a government. It means we're powerless. It also means that moving this sector from the Ministry of Training, Colleges and Universities to you is just as bad, or worse. What's the point of moving this to a ministry, where we're saying we're going to focus and make it seamless and somehow concentrate attention, and in the end, when we ask all these questions, there's not much we can do? You see how powerless I feel. Imagine how difficult it must be for the people out there suffering this problem, unless we get a handle on this and say to these bodies, "You've got to change your practices," in my view.

Hon. Mr. Colle: In fact, that is the other side of the coin. That's why we're doing it: It's to put a new set of resources, a new focus, because this also leverages the federal buy-in. "Buy-in" is the word, which we've never had before. We are going to have the federal buy-in, we're going to have the coordination, we're going to have a ministry that's going to be focused on this advocacy so that we can have discussions and we can have changes with our regulatory bodies and the way they practise. Remember, there have been many successes in the two short years with our bridge training programs, because you single out a couple that have very long traditions of being autonomous and not wanting government. As a government, I think we have the potential to make this change, because we've done it with nursing, we've done it with the pharmacists, and there are some successes there.

Mr. Marchese: I hear you. You've said that. I agree.

Hon. Mr. Colle: Let's tell that to the engineers and others.

Mr. Marchese: Minister, repeating it is not going to help. The fact that there might have been some successes in some areas is not going to help the teachers or the engineers or the doctors. I'm making a statement.

Hon. Mr. Colle: But you can't always use a hammer. You sometimes have to discuss; you have to persuade.

Mr. Marchese: My point is that those who are not getting the success they are looking for to get the jobs in their fields are not going to be happy to hear you say, "But look, I know you engineers are having a difficult time, but some nurses are doing well, or some vets are doing well." It just doesn't work. You can make that point, but I'm not going to make that point. I certainly find it indefensible. Regulatory bodies have to be forced to open their doors and break down their barriers. If not, something has to change.

International Medical Graduates—Ontario accepted 154 students last year; 950 applied. My sense is that you don't know how many would have liked to apply. Is that correct? You don't have access to that.

Hon. Mr. Colle: Again, I don't know the specifics. All I know is that there has been some marked success. The fact is that for the first time in many years the number of doctors registered in Ontario last year who were internationally trained surpassed the number of doctors registered last year who were trained in Ontario. Some 41% were graduates from international medical schools. That's quite an impressive number, and that's where I'm much more of an optimist, because I think things are working. It's not to say there that isn't much more work to do. I agree with you there.

Mr. Marchese: Here's what's working. We need doctors. Even the Tories recognize that we need doctors, and in their last dying days they increased it—I don't know—from 20% to 34% to 50%, God bless them. In eight years they increased it by 20% or 25%, but it was in recognition that we have a shortage of doctors. It wasn't because all of a sudden the government said, "We're doing better than they did." It's because all of a sudden we're saying, "My God, we need doctors," so the doors have opened a little bit. If we've opened the doors a little bit, we can open them a little more. It's a matter of will. It's a matter of willpower for the government to say, "We're going to fix this," rather than, "We have put in more doctors." I think you follow my point.

I wanted to know how many would have liked to apply; how many foreign-trained medical professionals would like to practise medicine in Ontario; why, in the midst of a doctor shortage, nearly 800 applicants were rejected. So we have a shortage. You hired much more than they did; good. But there are 800 applicants who in my view are ready to go, and they're not getting in.

Hon. Mr. Colle: We can get that information from the Ministry of Health. But you can't always point fingers. I can say that there was an NDP government that closed up spaces in medical schools. Where was the foresight there? Hindsight is always 20/20, but we have to do a lot more, recognizing that there are needs. You can't turn the tap on and off, right? I'm not condemning you for what you did or didn't do, but I think we should look toward opening these doors any way we can. I agree that we have to open these doors more aggressively.

Mr. Marchese: I'd just like to tell you that neither Liberals nor Tories understand that in the 1990s—either you refuse to understand or you don't know; one or the other—the mood in the country, coming from the feds, said that we have an abundance of doctors. So you're right that we should have said to the feds and all the others, "You people are wrong, and we have a better vision." But you're right. We may not have had the vision to tell the specialists up there that they were wrong. I just thought I'd point that out.

Mr. Klees: Good.

Mr. Marchese: Currently—for Frank's benefit, because the Tories didn't understand this either—the International Medical Graduates—Ontario only accredits family doctors. Do you know, Deputy or Minister, what the plans are to expand the program to other specialists?

Hon. Mr. Colle: I would say these are specific to Ministry of Health decisions. I think it would be more appropriately answered by them.

Mr. Marchese: But once you coordinate this, how involved are you going to be in all this?

Hon. Mr. Colle: We're going to work collaboratively with the Ministry of Health in this area. We're going to continue to be there with them because we can't extricate the Ministry of Health from the whole issue of accreditation for doctors.

Mr. Marchese: It's going to be tough, I can tell you.

The Vice-Chair: Mr. Marchese—

Mr. Marchese: I'm almost there.

The Vice-Chair: Very good; thank you.

Mr. Marchese: Social workers: The Canadian Association of Social Workers charges—

Hon. Mr. Colle: We've got a—

Mr. Marchese: A book. I know. I used to have one of those too.

The Canadian Association of Social Workers charges \$250 to assess credentials. Do you think that's fair?

Hon. Mr. Colle: I can't comment on the fairness of a fee that an association charges. All I can say is that we are seeing a good deal of co-operation from some of these agencies. Some of them are very fair, because there is a cost to them; some are just breaking even in their cost. I don't want to comment specifically on that one because I don't know the details of what you call fair.

Mr. Marchese: I would urge you to look at that; 250 bucks—

Hon. Mr. Colle: I would be more than happy—

Mr. Marchese: —seems expensive, especially if people without work are not getting the jobs out there that they're trying to get.

My last request: Could the ministry staff prepare us a complete list of all the grants the ministry has authorized in the past year, 2004-05—the grant recipients and an explanation of the grants?

Hon. Mr. Colle: That's for our settlement services?

Mr. Marchese: For all the services that go out to your agencies.

Hon. Mr. Colle: They're very limited.

Mr. Marchese: I'm assuming that you have that list somewhere.

Ms. Andrew: We would have to compile it: the Women's Directorate, the Seniors' Secretariat—

Hon. Mr. Colle: Do you want the others too?

Ms. Andrew: —the citizenship and immigration—

Mr. Marchese: No, I don't think I'm interested in the Women's Directorate.

Ms. Andrew: Just immigration-related?

Mr. Marchese: That's right.

Ms. Andrew: Yes; we can provide that.

Mr. Marchese: Wonderful. In due course, as you can. Thank you very much, Minister, Deputy and others.

The Vice-Chair: Any further questions from members of the committee? Seeing none, Minister, respectfully, I would offer you the opportunity to summarize very briefly. After that, we will end up calling the question on the votes.

Hon. Mr. Colle: I just want to say that I think you have to agree it has been a valuable exchange of comments and ideas by all parties. It's been a very substantive exercise for me as a new minister, and I appreciate your patience and your time, and staff for being helpful. That's really all I have to say: Thank you.

The Vice-Chair: With that, members are prepared to entertain the questions. Shall vote 601 carry? All those in support? Opposed? That's carried.

Shall vote 602 carry? That's carried.

Shall vote 603 carry? That's carried.

Shall vote 604 carry? That's carried.

Shall vote 605 carry? That's carried.

Shall the estimates of the Ministry of Citizenship and Immigration carry? That carries.

Shall I report the estimates of the Ministry of Citizenship and Immigration to the House? That motion carries.

Thank you, members. We're adjourned until tomorrow morning at 9 o'clock, room 228; take note.

The committee adjourned at 1557.

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Official Report of Debates (Hansard)

Thursday 6 October 2005

Journal des débats (Hansard)

Jeudi 6 octobre 2005

Standing committee on estimates

Ministry of Agriculture, Food
and Rural Affairs

Comité permanent des budgets des dépenses

Ministère de l'Agriculture,
de l'Alimentation
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LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
ESTIMATES

Thursday 6 October 2005

COMITÉ PERMANENT DES
BUDGETS DES DÉPENSES

Jeudi 6 octobre 2005

*The committee met at 0902 in room 228.***The Clerk of the Committee (Mr. Trevor Day):**

Honourable members, it is my duty to call upon you to elect an Acting Chair. Are there any nominations?

Mr. John Milloy (Kitchener Centre): I'd like to nominate Mr. Wilson.

The Clerk of the Committee: Any further nominations? Do you accept? There being no further nominations, I declare the nominations closed and Mr. Wilson Acting Chair of the committee.

Applause.

The Acting Chair (Mr. Jim Wilson): I hope Hansard will record that the Liberals were clapping for me. It's a first.

MINISTRY OF AGRICULTURE, FOOD
AND RURAL AFFAIRS

The Acting Chair: I want to welcome the minister and the deputy minister. Perhaps, just for the record, you'll let us know everyone who's here. There's you, of course, Minister.

Mr. Bruce Archibald: I'm Bruce Archibald. I'm the Deputy Minister.

The Acting Chair: Minister, the floor is yours for a half-hour.

That was an easy job.

Hon. Leona Dombrowsky (Minister of Agriculture, Food and Rural Affairs): Good morning. We are indeed delighted to be here to address the estimates committee of the Legislative Assembly of Ontario. And congratulations, Mr. Chair, on your nomination today.

Members of the committee, I am proud to be before you today to express the enormous respect that our Premier and this government have for Ontario's agriculture and food industry.

I'm just looking around—there used to be a clock on the wall in this room, Mr. Chair, so I could keep track of my time.

The Acting Chair: We'll give you periodic warnings. How's that?

Hon. Mrs. Dombrowsky: I'll just put my watch out here in front of me.

Ours is a province that is renowned for its natural and human resources. Combined, these resources have produced an outstanding agri-food sector. Across Ontario, our farm producers produce more than 200 commodities,

and Ontario has the most diverse agricultural sector in Canada. We are a world leader in food technology and research and development. More than three quarters of our agri-food exports are now value-added. We recognize that these accomplishments rest on the shoulders of our hard-working farm families.

Just a couple of weeks ago, I was pleased to see our Premier and members of our Legislature join me at the International Plowing Match and rural expo in Perth county. It was another great opportunity to meet with the people who drive Ontario's agriculture sector and celebrate their achievements.

The quality that strikes me most when I talk to farm families, the quality that they all share, is a spirit of independence and a tremendous work ethic. That spirit and the hard work that comes with it is what built this great province; it is what will drive us forward to new prosperity in the future.

As you know, the Ministry of Agriculture, Food and Rural Affairs is a new portfolio for me, and one that I feel very honoured to lead. I've spent the past three months being briefed by ministry staff and visiting rural communities so that I could talk with the people who work in our agri-food sector. I've also been meeting with our province's agriculture leaders. My first priority has been to listen and learn.

I'm pleased to have this opportunity today to tell you about how our ministry is meeting the current needs of this complex and changing sector, and the strategic planning that we are establishing to ensure that future generations continue to reap the benefits of our rich and diverse agricultural sectors.

I want to begin by talking about our government's support for the Ministry of Agriculture, Food and Rural Affairs. The operating budget of the Ministry of Agriculture, Food and Rural Affairs for 2005-06 is \$564 million. This is \$15 million above the previous year's allocation of \$549 million. The additional allocation of \$15 million plus the \$3-million endowment to establish an agriculture research chair at the University of Guelph demonstrates this government's continued and tangible support for Ontario's agri-food sector.

Last year, separate from our core budget, we also had an exceptionally large allocation for one-time payouts to address unusual hardships that our farming community was facing. This extraordinary allocation demonstrates our government's strong support for Ontario's producers

and our commitment to the agri-food sector in times of crisis.

We all know that BSE and the prolonged border closures caused unprecedented losses for the livestock industry. Our government recognized the challenges that farmers were facing in this province. We answered the call for help by committing as much as \$138.5 million in direct provincial assistance for BSE relief.

This summer, we saw our largest market, the US, respond positively to the solid case presented by governments of all levels. There are still some political arguments that may slow this progress, but our ministry, together with industry, continues to work diligently toward a fully open border. We are not out of the woods yet, but we are making progress with cattle moving south again.

Ontario is far better prepared for the future. We are increasing processing capacity in Ontario. In fact, through good partnership between our government and the industry, Ontario was the first province to recognize the need to increase slaughter capacity. We earmarked \$7 million of BSE funding to step up processing in our province. We have increased that capacity so that we will never again depend so heavily on the US market for our success. Our ministry staff continues to work closely with industry leaders on initiatives that will ensure long-term sustainability for the sector.

The McGuinty government appreciates how vital Ontario's agriculture industry is to the economic and social fabric of this province. We are working to ensure its future success through our partnership in the national agriculture policy framework. This agreement is bringing a \$1.7-billion investment in Ontario's agriculture industry.

Last year marked the first time that a Premier in Ontario hosted an agri-food summit. We look forward to meeting with agricultural leaders again at the next Premier's agri-food summit in January to discuss their ideas for establishing a long-term vision for the sector.

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One of the first things I did when I took this new portfolio was to meet with my provincial and federal colleagues in July to talk about issues and solutions for our agriculture industry. I am pleased to report that our consultations resulted in a decision that will benefit farm families right here in Ontario. Specifically, we agreed to make the CAIS program—the Canadian agricultural income stabilization program—more accessible by eliminating the deposit requirement.

In the coming months, we will be moving to a fee-based approach that will be affordable for producers and will not tie up working capital. I continue to work with the federal-provincial-territorial ministers of agriculture to respond to producer concerns about the CAIS program. At our next meeting in November, we will look at issues like inventory evaluation, reference margins, linkage between the CAIS and production insurance programs, and ways to improve on administration.

Continuous improvement of the delivery of the CAIS program is a priority for my ministry and for AgriCorp.

As with any new program, delivery and processing times are an issue that staff will continue to address. Results for the 2004 program will be better than the 2003 results, but we know that there is room for further improvement.

Ontario's agriculture and food industry is enormous and far-reaching. It has many different sectors, and with so many stakeholders involved and so many variables, there are bound to be challenges. We can find ways to deal with these challenges. But more importantly, we need to seize the many golden opportunities that are there for us through branding and innovation, and by seeking out new markets for our traditional commodities.

The very business of agriculture means that there are always risks. I grew up on a farm, and I have represented farm families in my own rural constituency for many years and have an enormous respect for the work they do.

Recent times have shown that the people of Ontario, through this government, have understood the need to step in and help the people who feed us. In addition to BSE assistance, our ministry has also directed special financial assistance to our province's grains and oil seeds. There was a \$79-million one-time allocation, plus \$96 million special-purpose, for a total of \$175 million that was directed to the grains and oil seeds sector. Tobacco producers are also a part of this plan: \$50 million was set aside, \$35 million from the agriculture, food and rural affairs budget and an additional \$15 million for communities with a tobacco industry, which came from the Ministry of Municipal Affairs and Housing.

Providing this special, one-time assistance and increasing OMAFRA's current core operating budget has indeed been a challenge, especially during a time when Ontario is facing pressures from an inherited deficit and an unbalanced share of the nation's transfer payments. Our government has invested in our agriculture and food industry because we are deeply committed to its future.

All of us who have the privilege of being elected to public office are well aware of our responsibility to use the public purse wisely. The government is very cognizant of its duty to the people of Ontario. It is clear to many of us close to the agri-food industry that the face of agriculture is changing. We know that BSE, rising input costs, competition from the United States, and emerging giants like Brazil and China are all new realities that we need to address. Many agricultural industry leaders have recognized that we need to rethink the future. Along with primary production, we need to invest in value-added processes. Our future success depends on it.

We are fortunate in Ontario to have visionary leaders, and through this ministry our government is supporting producer initiatives to carry the agri-food industry forward. Our livestock sector has recognized the need for change and will emerge stronger at the other end of the BSE story. Other sectors in our agriculture industry are also recognizing the need for transformation. Dairy and pork industry leaders have catapulted Ontario's reputation for excellence of quality and new value-added products. The greenhouse sector has embraced technological innovation. It has grown to such an extent that it now

represents half of the nation's greenhouse industry. Our grains and oilseeds leaders are exploring opportunities in the new bio-based economy of tomorrow, one which will use their feedstock to fuel and build our cars and homes and provide new value-added food products. We applaud their vision and we are acting to support this vision.

Our commitment to adopting renewable fuel standards—that is, requiring 5% ethanol in gasoline by 2007—and the new ethanol growth fund will boost our domestic ethanol industry and bring new opportunities for our agricultural community. Our government recognizes that a stronger domestic ethanol industry can act as a springboard for the larger bio-based economy that will bring many new opportunities to this province. We are moving forward with a plan to seize those opportunities. With Ontario's new ethanol growth fund, our government is working to develop manufacturing facilities to produce ethanol right here in our own province. This 12-year, \$520-million fund will help us meet the growing demand for ethanol fuel. Our province has the potential to produce more than 700 million litres of ethanol each year. That means a potential market for up to an additional 60 million bushels of corn a year and as many as 400 new jobs for rural Ontario. It's good news for our agricultural and rural communities. Also, it's good news for all Ontarians because reducing greenhouse gases and cutting down on emissions will help improve the air we breathe. I am proud to report that agriculture can play a key role in this initiative.

Our government is open to new and different ways to make the quality of life better for our people. We believe our investments in research and innovation will enable the agriculture industry in Ontario to survive and prosper in the decades to come. As a government, we know that our greatest responsibility is to serve the people of Ontario. We want better health and education and a strong economy for all Ontarians. That is why the greatest portion of the public purse is directed at meeting those priorities. We will continue to support our agriculture and food industry while we meet those priorities.

We must also be fiscally responsible. The greatest failure of any government is to leave future generations paying for its debt. The greatest legacy is to leave behind a healthier, stronger, more prosperous place for them to live.

Some say that agriculture is overregulated. However, when you draw resources from the land, you do have a responsibility to the land. We owe it to future generations to keep our water pure and abundant. We owe it to future generations to fiercely preserve the rich agricultural land in this province. Only 5% of Canada's total land base is classified as prime agricultural land and we are fortunate enough to have more than half of the country's best soil right here in Ontario. We have said it before and we will say it again: This government refuses to stand aside and allow this treasure—our valuable agricultural land—to be paved over and lost to farming in the future. We owe it to the farmers of today and tomorrow to protect this land.

Ontario farmers shine as the province's greatest stewards of our environment. They understand that the quality of our soil and water must be preserved and respected. Their livelihood has depended on their stewardship these many years. There has been a growing push to ban pesticide use, which is one of several tools that farmers use in integrated pest management. It is that tool that helps our farmers bring shiny red apples to the stores and other healthy produce that the people of Ontario enjoy. It is important that urban neighbours know that farmers need to pass a pesticide application course before they spray their fields and that Ontario farmers have reduced pesticide use by more than 50% in the last two decades.

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More than 27,000 Ontario farmers have invested over \$100 million of their own money to enhance best management practices through environmental farm plans. Our ministry has provided the technical expertise, training and support that have helped farmers raise the bar on best management practices. Ontario farmers have always been on the front line of environmental stewardship. For example, it is our farm leaders who called us to establish nutrient management laws. They asked for province-wide regulations to replace the patchwork of municipal bylaws that existed before. We continue to engage the opinions of our agriculture community as we refine these rules. Regulations can only work if they are fair and cost-effective.

Our government recognizes that farmers should not be expected to shoulder the burden of these costs alone, and we have demonstrated our willingness to help them. We are continuing to move forward on our two-year, \$20-million commitment that will assist farmers in the better management of nutrients on large farms—an important component of protecting our water sources. Ministry staff are working with the agriculture community to implement the recommendations of the provincial nutrient management advisory committee, to ensure that large livestock operations comply with the regulations and understand the eligibility requirements for cost-shared funding from the nutrient management financial assistance program. This will minimize the financial burden on farmers without compromising the province's obligation to protect the province's water resources. This government recognizes that nutrient management is part of a multi-component approach to safe water supplies. We will continue to provide strong, clear and comprehensive rules for nutrient management to ensure an effective barrier at the source.

We know that Ontario farmers are good stewards of the environment, and we will be there to help them to continue to operate environmentally responsible agriculture operations. The fact remains that consumers will continue to demand high-quality food at a reasonable cost, produced in an environmentally sustainable manner. Our government is committed to its responsibility to protect the water our citizens drink, the food they eat and the air they breathe.

To that end, we are moving forward on a food safety strategy with the Food Safety and Quality Act. We have also committed up to \$25 million over the next three years to help implement the stronger new meat regulations that our government has put in place. We have realigned the Ontario Ministry of Agriculture, Food and Rural Affairs to more effectively focus on food safety science and policy, as well as inspection and food safety programs both on-farm and in the processing sector. Our ministry will continue to broaden its scope and realign as necessary in order to more closely reflect our government's priorities of building better health, stronger people and a stronger economy for Ontario.

We have also established the post of chief veterinarian of Ontario so that we can be better prepared against future animal disease outbreaks and ensure that strong food safety measures are in place. This is more critical now than ever before as world health officials warn of the threat of animal-based pandemics reaching our shores. I am proud that, together with our agriculture industry, OMAFRA is taking a lead role in establishing traceability, provincial hazard analysis critical control point standards, otherwise known as HACCP, and new regulations that will provide seamless, scientifically based food safety systems from field to fork. These regulations do more than protect the public and give consumers peace of mind; these regulations work for the industry as well. They help to brand Ontario food products to the rest of the world as the safest, highest-quality foods produced in an environmentally sustainable manner.

In addition to providing critical financial and strategic policies and ensuring food safety, our ministry will continue to provide expertise in livestock and crop technology transfer. Staff at OMAFRA are also very proactive in domestic and export market development initiatives. Together, all of these ministry services will help the industry strategically position itself for the future.

Our ministry will also be focusing on meeting the government's priority for a strong new emphasis on buying Ontario. There are so many opportunities for our agri-food sector under this priority. We already have a reputation for producing safe, high-quality food products. We want to broaden the scope of initiatives that will vigorously market those products to the consumer. A fine example that comes to mind is OMAFRA's Foodland Ontario program. This highly successful consumer marketing program is aimed at increasing sales and profit margins for fresh Ontario produce. Ministry staff work closely with retailers and industry groups in developing multimedia strategies and in-store promotions.

Yesterday marked the launch of Foodland Ontario's new television and advertising campaigns that showcase real Ontario produce growing through time-lapse photography. If any of you had the chance to watch the news last night, you should have been able to see some of these new commercials. They were to be aired for the first time around dinner last evening. Over the next several weeks, these brilliant commercials will reach 93% of principal

grocery shoppers in Ontario, at an average of 11 viewings per person.

The Acting Chair: Minister, I just remind you that you have about eight minutes left.

Hon. Mrs. Dombrowsky: Thank you very much.

The Foodland Ontario program has developed very strong brand recognition with consumers. We know that consumers look for and recognize the Foodland Ontario symbol. When they buy Ontario-grown produce, it helps our farmers prosper and contributes to the health and economy of our province. In the future, our ministry will look at ways in which we can increase consumer appreciation for and consumption of more Ontario-grown products, both here at home and beyond our borders. This will strengthen our province's agriculture industry, our economy and the public trust. As our Premier has said, we will always work toward the goal of building an Ontario that is a worthy home for our dreams, for our hopes and for our children and grandchildren.

For agriculture, an important key to our future success lies in research and innovation. I am proud that our government has set this as a priority and is committed to opening the door that will redefine Ontario's agri-food industry. We want to help create new opportunities for Ontario's agri-food industry, and we are taking active steps to make this happen. The transfer of the province's 14 agricultural research stations and three colleges to the Agricultural Research Institute of Ontario represents one of those first steps. We look forward to seeing more of what happened with the beef research station in Elora, where industry, the province, the federal government and academia worked together to create a new state-of-the-art research facility.

The intent of this transfer is to dramatically increase the kind of collaboration that took place in Elora. We are planting the seeds for a new era in the field of research and development. Since its inception more than 40 years ago, ARIO has helped to set priorities for agri-food research in conjunction with government and industry. With this transfer, Ontario's agri-food research and educational system will be in a better position to focus agri-food research in Ontario and leverage greater investment in the future of the sector. This move was strongly endorsed by many commodity organizations and key figures in our research community, and it responds to a request put forward by agricultural leaders at our first Premier's agri-food summit last December.

Premier McGuinty often says our greatest asset is our people. They are our most valuable resource because it is their ideas that will create investments and jobs. From health care and education to the business of agriculture, we are strengthening Ontario's world-class research capacity to grow our economy and improve the quality of life for all Ontarians. The new Ministry of Research and Innovation, headed by the Premier, signals the importance that this government puts on ensuring that our province is competing and winning in the marketplace of ideas.

Our government understands that research and innovation represent the next generation of jobs for Ontario; through OMAFRA, it invests more than \$40 million in agri-food research and technology transfers annually. We look forward to seeing that investment continue, to support sustainable production, explore agriculture's potential in bioproducts and broaden its scope to address rural issues and food safety. Greater investment in research and development can empower our agriculture industry and build a whole new future for rural communities.

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One in every five Ontarians lives in a town that has a population less than 25,000. I want to ensure that our dreams can find a home in rural Ontario as well. We need to ensure that those rural economies prosper. These communities have top-calibre people and ideas. I can tell you that Premier McGuinty and I are both strongly committed to our agriculture sector and to building strong communities in rural Ontario, because we recognize that rural Ontario is key to the health and vitality of this province.

This government has a rural plan for Ontario that sets out several key priorities. With rural affairs being brought back to the fold of the ministry and the Premier's signal that OMAFRA is a lead ministry, I am confident that I can make the goals of that plan gain ever more momentum.

We want to make Ontario a better place to live for everyone, whether in our great cities or in our beautiful surrounding countryside. We have the best resources in the world, we have the strongest contingent of people power and we have the tools to build that place better. Ours is a time to make a difference, to use our time wisely so that it honours the trust of those we are here to serve, the people of Ontario.

Agriculture is an industry that has undergone many changes in just the last few decades. It has seen great gains, and it has been shaken by losses. We must always remember that agriculture and food is at the heart of this great province's heritage. The Ontario Ministry of Agriculture, Food and Rural Affairs will continue to work to ensure that it is a key contributor to Ontario's future. Our vision is to help build a strong agri-food sector that is integral to Ontario's economy and contributes innovative solutions to provide safe and nutritious food, to promote the bio-economy and to support the health and well-being of Ontario as well as protect our environment. I'm very proud to be part of a government that is willing to step forward and find new paths to success.

We must always remember that agriculture is the foundation that built this province. Through the Ministry of Agriculture, Food and Rural Affairs, we will continue to reinforce and build on that foundation so that it stands strong for generations to come.

This portfolio is very large and multi-faceted. It serves a great and complicated sector with no single solution to the many issues that inevitably come with the territory. Our ministry interfaces with many stakeholders from the farm gate to the dinner plate. That means there are

always a broad range of interests put forward and a multitude of issues to solve.

I welcome your questions and also your suggestions for solutions, because ultimately, we share a common goal; that is, to help rural Ontario and the agriculture sector strong and viable in this province. I do look forward to responding to your questions.

The Acting Chair: Thank you, Minister. Your timing couldn't have been more perfect. You're bang on.

Mr. Barrett.

Mr. Toby Barrett (Haldimand-Norfolk-Brant): Thank you, Chair, and members of the committee. It's good to be here at estimates. It's an opportunity to get inside and get away from that inclement weather out there. I think it's quite appropriate that this is Ontario Agriculture Week, something that we maybe should be talking about and promoting a bit more. I just came up from the Norfolk County Fair. It's a seven-day fair. About 120,000 people will go through the buildings, the horse barns and the chicken barn, one of my personal favourites. If anyone hasn't attended, I suggest you go down there. It's one of the largest in Ontario.

Mr. Dave Levac (Brant): Don't forget Burford this weekend.

Mr. Barrett: And Burford—I forgot Burford this weekend. I'll be there. I hope Dave will be. Yes.

Interjections.

Mr. Barrett: I've opened up a can of worms.

I certainly want to compliment our new Minister of Agriculture on her appointment, and also our new deputy minister and ministry staff present. Travelling in my riding and elsewhere in Ontario, I can't impress on you enough the importance of your jobs at this point in time. The work has been very, very important, certainly in the years I've been involved directly and indirectly with respect to agriculture and with respect to rural issues.

Some things don't change. At present, many farmers are on their knees. They are looking for leadership, for hope and for inspiration. Many would hope to find that through government at all levels, through this Legislative Assembly and through all parties. They also look elsewhere.

The anger continues in many quarters. Certainly with the people I've been speaking with there's a sense of frustration, desperation in some quarters, resentment and, regrettably with many farmers I sit with at dinners and meetings, depression. Like the minister, my background is agricultural, and one of my first childhood memories is of a neighbour a few concessions north who went out into his barn, set fire to the barn and then shot himself. Over the decades, I have been aware of this occurring, just in my part of Ontario: Woodhouse township, Norfolk county.

We see this with other people whose job is their life. I think of commercial fishermen. Again, I just can't over-emphasize the importance of the work we're all trying to do and the work we will be asked to do in the coming years. I think of northern Ontario and the mining industry. Fishing, trapping, hunting and farming built Upper

Canada and built this province. We see the signs, we see the T-shirts: "Farmers feed cities." Farmers feed cities in more ways than one and have built cities.

The farm economy built the city of Brantford, for example, 100 or 130 years ago. I represent one street in the city of Brantford: Blossom Ave. Urban residents are now benefiting from that infrastructure in the city of Brantford and the beautiful Brantford cottages—I'm going to buy one six days from now for my son—a beautiful infrastructure that was put together 80 to 130 years ago, based on that tremendous farm machinery economy.

I suggest that, as a society, in some quarters it is pay-back time. We do owe that heritage and that economic contribution, certainly in the last eight years or so, to the continued economic growth in the province of Ontario.

For most of Ontario, I would say that agriculture is part of our identity, our heritage and our values. On the Barrett side, our farm is 100 years old. On my mother's side, it goes back to 1796. That's land where you don't sever a lot; you try to hang on to that. But again, I can speak from personal experience: There have been tough times. They talk about "Get bigger or get out." Well, we got bigger; we put about 600 acres together back in the 1950s, and that didn't work out very well either.

If you drive by a large John Deere combine on the back roads—especially some of the elected representatives, if you're door-knocking or stuffing mailboxes—you're going to see non-farm rural residents for maybe the next 10 mailboxes. A large cash cropper will have taken out 10 or 15 small 50- or 100-acre entities.

As we know from feedback, the large cash croppers are combining soybeans right now, getting in the corn, the wheat has been combined and the profit is not there. Many of them, as with the way of farming, continue their pursuits essentially out of duty and love of the land and family.

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I don't know whether, when we leave this meeting this afternoon, we would come up with any direction, answers or solutions, but it's incumbent on us to play our part, to try to assist, at minimum. Government has to be there during tough times, and this is a challenge for all of us. Every Minister of Agriculture of course emphasizes that farming is the second-largest industry in Ontario, and it's very important to recognize that relationship through government involvement and budget support.

We're all fully aware of centuries of spin-off. I think of the retail food industry, the processing industry. This year, Food Freedom Day was February 8. There are profits in this industry, but not necessarily for the guys who are combining soybeans today. We've all heard this analogy. There was a very large sign at the Norfolk County Fair on Tuesday. You've all heard this before: A box of cornflakes that costs the consumer, say, \$3.50 in the store paid out 11 cents to the farmer who grew the corn. That disconnect, if you will, has always been there, whether you're taking livestock to market and then seeing the price of the meat at the retail level—taking a

look at apples: I was looking at some Waterford apples this morning in Toronto, newly harvested, at 69 cents a pound. I'm not sure what the farmer picking those apples a few days earlier would have made.

I have some Canadian figures: Between 1997 and 2003, the price that Canadian consumers paid for food increased by 13.8%. By contrast, the average price received by farmers increased by 2.1%. That's the kind of ratio we are looking at. In my memory, it's always been that way. Much of the challenge, of course, is economics.

There's the other side of the impact on Main Street in small-town Ontario. I think of the town of Delhi. Even the Roman Catholic churches are walking away from that area, churches that were supported over the past 70 years by tobacco money. All three car dealerships closed in the town of Delhi in recent years. Short-line manufacturing: I think of Harley Clark, Jacobs Greenhouses, closed—Clark has reinvented itself; John Varga, bankrupt; Gabe DeCloe, virtually out of business as far as the tobacco presence in that area.

I went to the Lindsay fair a week or so ago and met with farmers in the Sunderland area. I spoke with farm dealerships at that meeting and at the Lindsay fair. These are dealerships that sell lawn tractors, lawn mowers, Skidoos, things like that. Times have changed, and it's quite appropriate to go where the market is, but they can't get the staff; they cannot attract young people to their industry. They're obviously consolidating, certainly up in the Haliburton—Victoria—Brock area, serving a much broader catchment area. That just suggests to us the ongoing trend in Ontario.

We know the cash crop initiative Farmers Feed Cities, which targets the CAIS program and the need for a companion program, the risk management program. We're also well aware of the horticultural industry, which needs a companion program. We had SDRM, the self-directed risk management program. But Farmers Feed Cities has taken on a broader purpose in many quarters, from what I can understand. In the ministry, I've made reference to the importance of our informing the consumer, whether it be Foodland Ontario or other initiatives.

Farmers feed cities in other ways as well; historically, the economic activity: Farming, like mining, is a primary industry. The jobs, the manufacturing jobs, the dollars that are generated by a primary industry based on the land and in rural Ontario—even if that industry is based on the hobby farmer, that OFA member who qualifies, meets that \$7,000-a-year benchmark, and maybe has a small Kubota and one of those large John Deere lawnmowers.

The concerns, in meetings that I've had, are obviously the short-term ones. Yet again, farmers do not like to ask for help; no one likes to ask for help. The concern is that this would continue on an ad hoc basis. But also—this certainly comes from farm leaders, and the ministry would know this—there's the concern, beyond short-term programs and the fact that there are no ongoing, long-term programs or plans, that there's not the stability,

there's not the certainty one needs in any business, let alone in the business of farming. Hence, the imperative to come through on the commitment to truly restore agriculture as a lead ministry.

It doesn't sit well when the indication comes from this present government—the cuts to the budget of the Ministry of Agriculture. It doesn't sit well in many quarters when government members are not out there fighting for farmers and, if you will, fighting their own government. As a former government member I know how that works, fighting my own government with issues around school closings or proposed hospital closings. This is a responsibility for all of us, no matter which side of the fence we're on.

I stress the importance of providing some hope, some leadership. We saw that this winter when there was a vacuum, when the leadership was not there, whether it be from traditional farm organizations, from government or from other sectors of society. You saw farmers shut down the 401 on a cold morning in February. I know that something's going to happen when my cell phone starts ringing at 4 o'clock in the morning. The 401 was shut down on three different occasions, as we're aware, at the Quebec border and the US border. We in this room are all aware of the thousands of farmers and hundreds of tractors that showed up last winter in front of Queen's Park on two different occasions.

People in rural Ontario and on our farms are trying to tell us something. Whether that was picked up by the urban media beyond maybe a one-day hit would be debatable. Certainly, the 401 closings dominated rural radio. But we are in the know, we were here, we saw what happened, and it's important for us to roll up our sleeves and to encourage staff and everyone involved, and members of the farm organizations, the farm leadership, to continue to fight using whatever methods, tactics or strategies available in their arsenal. In many cases you don't hear a farmer saying he went bankrupt. That 100-acre farm gets rented out; it just kind of fades away. In many quarters it's a bad sign when you see soybeans, because it means it's being rented out.

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The kids who sit around the kitchen table and watch that transition in the farm they grew up on are not about to go out on their 100-acre, 200-acre or 500-acre family operation and spend \$250,000 on a combine. Why would they? You can buy a pretty good house for \$250,000. Sure, interest rates aren't bad right now, and you can lock into some really good rates, maybe around 4.5% or 5%, but why would you take a quarter of a million dollars and buy a combine and try to compete with one of the other big guys down the road?

Many of our young people who have grown up on farms are teaching or have gone into the professions, and I feel they're carrying a bit of guilt because they were not able to carry on the family farm. I'm not saying that this has been a unique problem in the last two years; this is an issue that's been going on right back, probably, to the beginnings of commercial agriculture in Ontario. I find

that it's a regrettable trend. Where is the end on this? What are we left with? I think of certain countries; I think of Trinidad, which had a bit of an oil boom a number of decades ago. They virtually don't grow their own food any more. I'm sure they're getting, on occasion, high-priced, lower-quality food. When you don't grow your own food, you don't grow your own tobacco or your own ginseng or pharmaceuticals, you're dependent on other countries and you basically get what you get as a society.

This has to be a concern, not only for rural people but for urban people. When I talk about urban people, I'm also talking about small-town people. Many of us do a lot of door-knocking. They may be in a village next to farmland, but the awareness is being lost over time. I think there's a role for government to play there as well.

Chair, what is the time left for me?

The Acting Chair (Mr. John Milloy): You have 10 minutes left.

Mr. Barrett: OK; great.

We've had a number of opposition day debates in the Ontario Legislature. I would like to read into the record a motion that was put forward June 8 this year by opposition leader, John Tory, who moved:

"... to recognize and endorse the fiscal and social value of Ontario's agricultural industry and the rural way of life that surrounds it; and

"That the Ministry of Agriculture and all members of the assembly recognize and offer assistance with the legitimate challenges that are currently plaguing Ontario's farmers; and

"That the government live up to its commitment to make the Ministry of Agriculture a lead ministry; and

"That the members of the assembly support and endorse the historical and traditional values of Ontario's rural communities and commit to ensuring that government legislation, regulation and enforcement do not undermine these traditions and values."

As of June, those were perhaps some general targets we have set that we feel would be very important. We have opposition day motions. We have debates in an atmosphere where I have concern about lack of support for rural Ontario and the farm community. In May 2004, the first budget of the present government saw fit to remove \$128 million from the Ministry of Agriculture and Food's budget. It was the biggest cut to any ministry in that budget. Again this year, the Ministry of Agriculture and Food once again had its budget cut by 23.1%. That can be found on page 29 of this past spring's budget. It does raise the question, do those numbers suggest that the Ministry of Agriculture is becoming a lead ministry?

We know, and certainly many of us feel, that the CAIS program does not work without the companion programs: the MRI program or the SDRM for the horse sector that I mentioned before. Again, this ties into my earlier comments on the importance of a plan; not only a short-term plan but a long-term plan to provide the kind of business certainty that we see in the milk and feather industries

through supply management, which certainly John Tory and all of us involved support.

There were reasons why, when we were in government, we did not sign the APF. We felt it was not a good deal for Ontario's farmers. We feel it is still not a good deal for Ontario's farmers. I would be interested to see what comes out, as far as policy presented, in what one assumes is going to be a federal election at some time. But Ontario has valuable advice to present with respect to not only CAIS, but safety nets in general; advice that we can present for the cattle industry to assist them in essentially more certainty with respect to the kind of risks that they clearly have met recently.

There's another concern in rural Ontario. Of course, with farming goes rural Ontario. Family incomes in my riding, and I would suggest in Mr. Wilson's riding and many of our rural ridings, are lower. The per capita income is lower. People are paying pretty well the same increased price for natural gas, gasoline and electricity. Electricity rates have gone up about 35% under this government. We know the commitment of this government during the election to freeze the electricity rates at 4.3 cents per kilowatt hour. I predict, and I think we can all predict, that electricity rates will go up yet again next spring when the new rate is set.

Many people in rural Ontario are caught by the insurance industry and by rules and regulations. I was speaking with a farmer just the other day at the fair. He was instructed by his insurance company to take out his wood stove. He didn't have enough brick and concrete, and he has to install a natural gas system. I know he can't afford the capital cost, let alone this winter's operating cost, given the projected increases in natural gas. This fellow, like all of us, was probably paying, at the beginning of September, well over \$7 a gallon for gasoline to fuel his car.

I mentioned the meetings we've had with farmers in Sunderland. We've met with farmers in Guelph and of course at the plowing match.

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In the Legislature, the member for Haliburton-Victoria-Brock made mention of the awareness of the rural media of what's going on with respect to the health of our farm economy. Some of these headlines came out just after the \$169-million slashing in the last budget. Headlines in her local papers read: "Farmers Angered"—that's one headline—"Budget Called Embarrassing," "Budget Once Again Glanced Over Rural Ontario," "Budget Bad News For Farmers in the City of Kawartha Lakes." That's an area that seems to be losing much of its dairy industry, as is the Niagara area.

She made mention of a letter she received. She named the author, David Love, from Burnt River. In his letter, he states, "I will have to leave farming." He goes on to say: "If we don't stop this trend, our farmers leaving, critical mass will soon be lost in terms of the number of producers required to maintain the infrastructure so that not only the dairy industry but the whole rural economy functions well. The disturbing thing about this trend is

that dairy production is shifting to far more expensive land in areas that are not as conducive to growing alfalfa, the staple of dairy feed."

I mentioned the farm dealerships. They obviously talk to a lot of rural residents, both farm and rural non-farm.

The Acting Chair: Mr. Barrett, I don't mean to interrupt. I'm just giving you a two-minute warning.

Mr. Barrett: Thank you. I think this is worth mentioning. A farm implement dealer in Lindsay said: "I've had to lay off half of my staff. We've come to realize that farm business in this area of central Ontario"—this is the Lindsay area—"is declining. We have no new farmers moving in. The farms that come for sale are being sold to people who are moving in from the city."

In many ways, when you drive the back roads and the provincial highways across this province, much of rural Ontario looks good. You see new houses, you see well-groomed lawns. There is this migration from urban areas into rural areas, and of course we know there's the other migration of young people into the city to get a job, or you pretty well have to go to the city to attend university, for example.

I just want to reiterate in my closing comments that when farmers are on their knees, they are looking for inspiration. They are looking for hope. They need leadership. They are searching for leadership, and in times like this, leaders come forward. But it does raise the question at this point: Where is the leadership and where is the hope?

For many of these people who very quietly are going out of business on the back roads across this great province of ours, many hang in. Many will drive a school bus. You see farmers driving school buses. You don't see teachers driving school buses, even though they're in the industry and go to the schools every day. I think it tells you something when you see well over half the farmers in Ontario working off the farm to subsidize the food and other products they produce for us.

The Acting Chair: We'll now move to the New Democratic Party. Mr. Hampton, you have 30 minutes.

Mr. Howard Hampton (Kenora-Rainy River): I want to thank the minister for her comments today and I want to spend my initial time just going over some things. It's our job, of course, to hold you, the minister, and your ministry staff accountable, and most of all to hold the government accountable.

I want to go back to this document—it's called Growing Strong Rural Communities: The Ontario Liberal Plan for Prosperous Rural Communities That Work—because there were a number of promises made in this document and that's why I want to ask you about some of those. There's a general statement: "We will implement a new generation of safety nets and companion programs, work with farmers to get our nutrient management rules right, create new markets for Ontario agriculture and help promote our province's food products to the world." That's followed up with some specific promises.

One of the first ones is, "We will develop a new generation of farm safety nets." I want to deal with that

issue for a while because your government has, it's fair to say, been inundated with submissions from the food and agriculture community, pointing out just how inadequate the current system of farm safety nets is. I can point to a submission to the Honourable Greg Sorbara, Minister of Finance, Thursday, April 21, 2005, from the Ontario Federation of Agriculture and member commodity organizations. They go into detail on the problems with CAIS, they go into detail on their problems with market revenue insurance, and they go into some detail on the need for a business risk management or a risk management insurance system. To be blunt, they say, "The OFA asks for immediate improvements to the administrative delivery of the CAIS program here in Ontario. It's been a difficult year for farmers and they require a government program that will flow funds in a timely and accurate manner." Then they go on to promote a risk management program. If I can actually quote from one of their submissions, it says, "Risk management program created by farmers for farmers: RMP would be a replacement for market revenue insurance. Market revenue insurance worked to offset low prices that needed improvements. Support was based on historical prices, not costs. Even at 90% support levels, still didn't cover the cost of production. Risk management insurance is designed to correct these problems." I won't go into the long details, but it simply points out the need for a risk management insurance system.

There were other submissions also made. In fact, the grain and oilseed producers were out there doing an awful lot of work on this issue. And what's striking is, the government wasn't doing this work. Because the government wasn't doing this work, farmers felt they had to take it on themselves, and so they were out there setting up a consultation process; they were outlining what they hoped the strategy would look like. I think anyone would describe it as a new generation of farm income support, or farm income safety net. They were trying to promote their own model because the government wasn't doing anything, and lo and behold, just as they're setting up some consultation processes, your predecessor, the Honourable Steve Peters, issues a press release where he is quick to dismiss the cost of the program as prohibitive. This is even before farmers could get a discussion going. They're simply trying to get a public debate going, and right away your ministry issues a press release dismissing it, saying the cost of such a program would be prohibitive. This then sparked a reply from farm communities, and I want to read the reply.

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"Ontario farmers have read your open letter to the grain and oilseed safety net committee chair and must protest your comments.

"Since Ontario farmers demonstrated at Queen's Park on March 2, representatives of all farm sectors have been working on the development of cost-of-production programs and proposals with their members. This work was being done in order to have business risk management

issues specific to Ontario farmers addressed by Ontario farmers.

"This program development work was also encouraged by the Premier, members of the Ontario Liberal caucus and the Liberal rural caucus on several occasions. Farm groups were asked to draw up specific plans and priorities that the government could review and discuss and implement in consultation with Ontario farmers.

"Minister, your contention that the cost of the grain and oilseed proposals are beyond the capacity of your ministry has directly interfered with the process of producer consultation currently taking place within that sector.

"While we appreciate your comments that other sectors (horticulture and livestock) are also suffering in the farm income crisis, your comment that this proposal 'would seriously limit the dollars available for other sectors' interferes with the work being carried out by those farm sectors to develop comprehensive plans to discuss with the government.

"We suggest that perhaps your concerns could be addressed by an Ontario government commitment to make the Ontario Ministry of Agriculture and Food ... a 'lead' ministry by increasing the government's current 0.07% budget allocation to OMAF. The current percentage of the global budget is down from 1.4% of the total budget allocation over 20 years ago.

"Minister, we have valued working with you and your government and wish to continue to do so. We have also taken your comments in the media about the need for farmers to speak with a 'unified voice' seriously.

"Unfortunately, your comments on the important work of the grain and oilseed group prior to consultation with farmers in Ontario are not helpful to the development of business risk management proposals by all sectors, nor do they encourage the need for farmers to speak with the 'unified voice' you claim is required.

"We ask that ... your government show the leadership and commitment promised to Ontario's farmers and continue to work with us to find solutions to the serious farm income crisis in Ontario."

I'm a bit, shall we say, nonplussed. Your government promised, "We will develop a new generation of farm safety nets." You then tell farm organizations to go out there and develop the discussions and consultations to bring forward a proposal. As soon as they try to do that, your predecessor and his officials immediately pour cold water—before they've even come to the government. They're simply trying to debate with other farmers, discuss with other farmers, and you immediately pour cold water on the ideas that they're trying to develop for discussion.

I wouldn't mind hearing from you, in your response, how you square your promise to develop "a new generation of farm safety nets" to the actions of your predecessor.

The next promise was, "We will create major new markets for Ontario agricultural products." Then the promise goes into, "We will require that ethanol make up

5% of gasoline by 2007 and 10% by 2010.” Then you say, “These renewable, grown and made-in-Ontario fuels burn much cleaner than regular gasoline and diesel.” Then you go on to say, “Our ethanol plan will almost double the market for Ontario corn, and our bio-diesel plan will greatly increase demand for Ontario soybeans.”

I just want to deal with corn first because there's been a plethora of comments from the farm community on what's in and what's not in your promise to create major new markets for Ontario agricultural products, and then referring specifically to ethanol. For example, there's this submission from the Ontario Corn Producers' Association. This submission is that, while they want to see more ethanol produced in Ontario, they want to be sure that it's Ontario corn.

Then there's this submission from Doug Eadie, the president of the Ontario Corn Producers' Association. I just want to read from this because their concern is that while you're going to give money to large corporations who might set up ethanol plants, while you're going to subsidize them and you're going to support their activities, there's no assurance under your strategy that Ontario corn producers are going to get any help. In fact, there's no assurance that Ontario corn is even going to be used.

I'll just read from Mr. Eadie's letter. It is dated April 5, 2004, and I can follow this up with other comments since.

“The Ontario Corn Producers' Association is looking forward to a budget announcement that will make all of Ontario a better place to live, boost the economy of rural Ontario, assist Ontario corn producers and help Premier McGuinty keep his ethanol election promise....”

Then it goes on the say, “On Sept. 27, 2003, at a farm near Embro, Dalton McGuinty promised that 5% of gasoline sold in Ontario by 2007 would contain ethanol and said, ‘It means at least five ethanol plants, it means at least \$500 million in investment, and it means 3,000 direct and indirect jobs. This is a huge boost to rural Ontario. You make ethanol from corn, so we are going to be asking Ontario farmers to grow a lot more corn, so we can put that stuff in our cars and clean our air.’”

Mr. Eadie then goes on, “Premier McGuinty's promise very clearly was to get ethanol plants built in Ontario using Ontario corn as a boost to rural Ontario and Ontario corn producers.

“Premier McGuinty's promise means that about 750 million litres of ethanol will be sold in Ontario by January 1, 2007. But where will that ethanol come from? Ontario already imports more ethanol than it produces, so simply increasing the volume of imported ethanol will be easy to do.

“An effective incentive package is required to ensure that the ethanol sold is produced in Ontario using Ontario corn in order to maximize the benefit to rural Ontario and keep the Premier's promise. In addition to the 150 million litres of imports, Commercial Alcohols in Chatham currently produces 150 million litres. There are four ethanol projects that could proceed if the budget

announcement provides sufficient clarity on the business environment for ethanol,” and then they outline the plans.

“The OCPA presented an incentive package designed to fulfill the Premier's promise. Our proposal provides assistance directly to ethanol producers for new ethanol production based on their purchases of source-verified Ontario corn.” And then he goes into the financing. He says, “Assistance is capped at \$8 million per ethanol producer per year”—“ethanol producer” being these plants—and the program terminates after four years. Our proposal is projected to cost about \$99.2 million over five years. We anticipate that the budget announcement may eliminate the 14.7/litre provincial road tax exemption on the sale of ethanol. If so, the government of Ontario could save \$44 million per year currently (half of which is paid on imported ethanol) and will save \$110 million per year by 2007 when the target of 5% ethanol in the gasoline pool is achieved. The savings” from this would “more than cover the full cost of implementing our incentive proposal.” I want to emphasize that the incentive proposal here by the Ontario Corn Producers' Association would produce Ontario corn and would use Ontario corn.

“Why provide such assistance?” he goes on. “Studies have confirmed that for every one litre of ethanol produced from locally produced Ontario grain corn, there is \$1 in total economic benefit to the rural economy in the region of the plant. A 150-million-litre plant will generate \$150 million in total rural economic benefit annually within 75 km of the ethanol plant if all the corn is purchased from Ontario corn producers.

“These ethanol plants can not only create 3,000 direct and indirect jobs and represent new markets for Ontario corn which helps strengthen corn prices in Ontario, they will also strengthen Ontario's rural economy. The key is to implement an OCPA's incentive proposal to get the plants built and using Ontario corn.”

There was the promise. I think if you take the Premier's words, he was very clearly indicating it would be Ontario corn, and here is the proposal from the corn producers, saying, “This is how you do it so that you will use Ontario corn.”

1020

Since then, there has been a plethora of letters and comments from Ontario corn producers and Ontario corn farmers that what your government has in fact developed is a strategy, yes, that will assist these companies—these companies will get taxpayers' money—but there is absolutely no requirement on them to utilize Ontario-grown corn. There is absolutely no incentive here for Ontario corn producers. What you have heard, what I've heard and what I know your officials have heard is that in fact much of the corn that will be used in these ethanol plants will be corn from Michigan or Ohio, corn that is very heavily subsidized by the United States government. In other words, as it stands now, the McGuinty government's ethanol plan will benefit corn farmers and corn producers in the United States, but there doesn't seem to be much benefit for Ontario corn producers at all.

I am interested in your response to that, because from what I can see, there was a fairly clear promise made before the election. The Premier's words since then seem to indicate that there would be assistance for Ontario corn producers, that there would be the opportunity—indeed, the enhancement—so that Ontario corn farmers could grow and sell more corn, but corn farmers are saying, “That’s not what’s happening. This is going to benefit corn producers in the United States.”

I want to go to the next promise: “We will make OMAF a lead ministry in a Liberal government.” I’ve been around here for a while. One of the things I know is that when you cut ministry budgets, it’s very difficult for ministries to become a lead ministry. In fact, when you cut a ministry’s budget substantially, the signal that’s sent out is, “This ministry isn’t very high on the priority list.”

I want to take you to the words of the government’s own budget. These are your words, not mine. The budget says some pretty strong things. It says that the government is “funding for priorities while at the same time balancing the budget, holding the line on spending in most areas....” Then it says, “This budget provides substantial new investments for post-secondary education and health care.” Then it says, “At the same time, many ministries’ operating budgets are either flatlined or declining.” Then it says, “There are 15 ministries in 2005-06 that are growing at a rate less than inflation....” Then it lists, in a table, 15 ministries’ operating budgets flatlined or declining. What’s the first ministry listed? This is almost a boast. The first ministry listed is agriculture and food and it says, in your own budget, that the budget of the ministry has been cut by 23.1%.

The Acting Chair: Mr. Hampton, sorry to interrupt. You have about 10 minutes.

Mr. Hampton: I know what the media said when they saw this. They said, “Oh, the government is boasting about cutting the Ministry of Agriculture and Food’s budget by 23.1%.” That’s the spin off this page. The government is boasting that either you’re flatlining or you’re cutting the budgets of 15 ministries, and what’s the first one, in big bold letters at the top of the page? The Ministry of Agriculture and Food, and per cent change in the budget: a cut of 23.1%. Understandably, farmers were quite upset about that.

I’d ask you the question. There was a plethora of explanations after this by ministry officials. This is pretty clear spin. This is a page out of the budget, page 29; where the government boasts that it’s cutting or flatlining the budgets of 15 ministries, and what’s the first ministry they list? The Ministry of Agriculture and Food, to cut the budget by 23.1%. Maybe you can tell farmers how on the one hand the McGuinty government says you’re going to make agriculture a lead ministry, but then in your budget speech, a pretty major event that media from all across the province come to watch, you boast that you’re cutting the ministry’s budget by 23.1%. If you can square those two things, Minister, you are indeed a magician.

I want to ask, though, about another promise that was made, a pretty direct promise: “We will consult with the industry.” That was the promise made in your campaign Growing Strong Rural Communities: “We will consult with the industry.” What I’ve seen over the last two years is something unprecedented in the time that I’ve been here, and even before that. I used to work here as a volunteer when I was a university student in the 1970s. I didn’t see it in the 1970s, I didn’t see it in the 1980s, when I was first elected, and I didn’t see it in the 1990s. But after this promise to consult with the industry, I saw not once, but twice, farmers from across the province in the middle of the winter—and there were some very cold days—who got on their tractors and strategized how they might block Highway 401, strategized how they might block Highway 400, strategized how they might block Highway 427, the Gardiner Expressway, the Don Valley Parkway, and how they might also block the environs of Queen’s Park.

When asked by the media why they were doing this, they said, “Because we’re desperate to get the attention of the McGuinty government. They don’t seem to be paying any attention to us. They don’t seem to care about us. They don’t seem to listen to us. They announce that they’re cutting our budget without any consultation. They do away with farm programs and farm initiatives without any consultation. We find out about cuts that could hurt our farms and our farm businesses in the media, without any consultation from the minister, the staff or anyone else.”

It was absolutely unprecedented. I have never seen people from rural Ontario, specifically farmers, so angry, so frustrated and so filled with a sense that this is a government that doesn’t listen to them, this is a government that doesn’t pay any attention to them and this is a government that doesn’t care about them.

On both occasions I went out on the doorstep of the Legislature and spoke to individual farmers from all across the province. I remember some of the discussions; I’ll probably remember them for the rest of my life: grown men with tears in their eyes, crying, not for the cameras, as sometimes happens around this place—somebody magically develops tears and sheds tears for the cameras because they think it might get them a 15-second clip on the news that night. These farmers were ashamed. They didn’t want people to see them crying, but they had tears in their eyes. They were people who were in their late 60s, early 70s who have farmed all their lives in Ontario, at one and the same time fearful, angry and ashamed that they had to come and do this. I’ve never seen anything like it. I may not ever see anything like it again: Proud people, who you know when you talk to them have gotten up early in the morning every day since they were kids, done their work, paid their taxes, contributed to society, taken on their responsibilities and their obligations, contributed to the community, and all they were asking for was that the government of the day, the McGuinty government, listen to them, hear them, pay some attention to them and regard them with some care.

1030

I want to ask you, Minister, how you square this promise, "We will consult with the industry," with the fact that so many farm families—and these were not agitators. These were not people looking to get on the news that night. By and large, these were just ordinary farm folks who probably, if you asked them, are shy and retiring and don't want to be on the news at night. That would be the last thing they'd want to do. How do you square your promise to consult with Ontario farmers with the fact that these people had to get on their tractors and come hundreds of kilometres on very cold, wintry days, fight traffic to get down here and then literally tie up the major highways of the province in order to get for even just a few seconds the attention of the McGuinty government?

Those are my comments.

The Acting Chair: Thank you very much, Mr. Hampton. Minister, you have 30 minutes to respond.

Hon. Mrs. Dombrowsky: Mr. Chair, is that 30 minutes to respond to Mr. Barrett and 30 minutes to Mr. Hampton?

The Acting Chair: No, just one 30-minute—

Hon. Mrs. Dombrowsky: Just a one-time go. Thank you very much.

I am very happy that I have an opportunity to respond to the members who have taken the time to come here today and make their points about their issues, their concerns, their ideas about the agriculture ministry in Ontario.

First, with regard to the comments that have been made by Mr. Barrett, I think that his presentation reflects an individual and a representative who is very much in touch with his constituents and rural communities across Ontario. I appreciate the very personal perspective he brought to the many issues that he shared with us.

I was particularly moved when he spoke of his own personal experience with a farm tragedy, where a producer he knew felt that he no longer wanted to continue either in his operation or with his life. I think we recognize that in all industries there are stresses, that there are needs to support people in their places of work when there are stresses from time to time as a reality of the job. I've very happy to say that the ministry, because we have recognized that this is a reality, has recognized a responsibility to provide a stress line, a support line, for farmers. Anyone who would be interested in getting that information can get it on the Web site. We're trying to get that number for you so that I can share it with the committee before we leave.

Recently, in my own constituency office I met with people who are involved in this initiative. Much of it is provided by volunteers in the farming community. So I do have an appreciation of the strain that they themselves are under, and I think it is important that farmers understand that there is support available to them.

I wanted to address his concerns about the viability of agriculture in Ontario. We believe that the government is working, with our federal partner as well, to provide

resources that I hope and believe will first of all say to the agricultural community that in times of difficulty we recognize our responsibility to respond and support the industry.

I would like to say to the member that, to date, we have delivered up to \$420 million in federal and provincial funding to farmers and industries that have been affected by mad cow, and \$138.5 million of that has come from the province of Ontario. Last year, we provided \$17 million to the grains and oilseeds producers, and that is over and above the market revenue payouts, which were \$94 million. These are not handouts. These programs are delivered in the face of very severely depressed commodity prices, and we recognize that there need to be supports provided for the producers.

With respect to tobacco growers, our government has provided \$35 million to exit the industry. These dollars have been transferred to the flue-cured tobacco association, which has been in turn providing them to the tobacco growers. In addition, the Ministry of Municipal Affairs and Housing has provided \$15 million to communities that would be affected by the impact of low tobacco markets. I believe it's Community Futures that has a responsibility to disburse the \$15 million. These dollars are designed to encourage innovation and diversification in those communities that were once dependent on the tobacco industry.

We're also delivering \$20 million under the nutrient management financial assistance program. Again, there's a recognition that with regulation of this industry to protect water sources, we want to do our part to assist large farmers to meet the requirements that we have put in place.

We have also introduced the ethanol growth fund. It is a 12-year, \$520-million fund that is made available by application to companies and co-operatives. I think that's a very important point to remember—and I'll address this when I address Mr. Hampton's remarks—that there is an opportunity, most definitely, for community co-operatives to participate in the application for ethanol growth funds. I believe that will be a very direct benefit to corn producers in our communities.

Those are some of the initiatives that our government has taken, I believe, to address the viability issue of this industry in Ontario. We believe it is so very vital. It is the industry that feeds us, and when there are times of difficulty, I believe that the government has recognized and has acted to support the industry appropriately.

I had the opportunity to sit with the Premier and with agriculture leaders from across the province at the plowing match in Listowel. I know that the Premier was very impressed with what he heard. He was with them for over an hour. These representatives made it very, very clear that the agriculture industry is not looking for handouts from the taxpayers. That's not at all the issue that they are bringing forward. They want a level playing field, and there are many areas and reasons why that is not the case. I know that they were encouraged when they heard the Premier's speech at the plowing match,

where he made it very clear that we recognize we have a responsibility to press the federal government to take up this cause most vigorously, that there are subsidy issues with other countries that have to be addressed if we are going to have a fair and level playing field for our producers. The Premier indicated at the plowing match that agriculture issues are going to be one of the three main issues that he will carry with him on his agenda to China, when he goes there in November.

I'm also happy to report that many in the agriculture community would understand that there are World Trade Organization discussions that have been underway. They began after the Doha round in Qatar, and they have continued. At these discussions, the issues of subsidies are paramount and foremost.

1040

Again, this is an opportunity when this province will fight vigorously and do all we can for our producers to level the playing field, to deal with the issues of subsidies from other countries, like the United States and the European Union.

I would say to the honourable members here that these are realities that the agriculture industry has had to deal with, and they are far beyond their making and even the making of this government, but I believe that this government has recognized that we do have a role to play to be strong advocates on their behalf at these very important discussions.

I have said that I think that the agriculture and food industry is really quite unique, because it is really the subject of two climates: Producers are the subject of our natural climate, and they have to deal with an abundance of rainfall, too much rain, not enough rain; but they're also at the mercy of the economic climate. That is an area where I do think government has a role to play. Sometimes the different levels of government have more of a responsibility, but I can assure this industry that the McGuinty government is going to be doing all that we can to advocate on behalf of producers in the province of Ontario.

With regard to the Farmers Feed Cities initiative that Mr. Barrett mentioned, I want to commend the agriculture community. I think this is an important awareness campaign. It is also a unifying initiative for the agriculture industry. In my remarks, I think you will recall that I noted that it is a very diverse sector, and sometimes issues in one sector or solutions presented by one sector could potentially have an impact on another that may not be so positive. I think that with the Farmers Feed Cities initiative, it is one issue that all producers, regardless of their sector, are able to support.

There have been comments made about restoring agriculture as a lead ministry. I am very proud that our Premier has recognized why it is so important to do that on a variety of levels. Obviously my comments to clarify the increase in this government's support for the Ministry of Agriculture, Food and Rural Affairs have not been understood. I do believe that in the agriculture communities in the province they understand that this

government has demonstrated our commitment, not just financially, but definitely financially. I am proud of this government's record for being there with the resources that have been asked for by the industry in times of crisis. I'm thinking particularly of the grains and oil seeds and BSE dollars that were made available.

Being a lead ministry: I want to refer first to the fact that the Premier has returned rural affairs to this file, which is very important. I think that members at this table would appreciate that you really cannot talk about the health and well-being of the agriculture industry without talking about the health and well-being of rural communities and rural economies. Previously, the rural affairs file had been ripped away from agriculture and food. We have returned it. That is a direct result of comments that we heard from our rural communities.

The Premier has also asked me as minister to join him at his table, planning and priorities, where he is the chair. I have the opportunity to have input in planning and priority decisions along with health, education, finance, energy and government services. I think that it has been a long time in this province since a government has acted to give agriculture a chair at what I think is a very important committee that does deal with setting directions and considering impacts of potential initiatives that our government would consider.

I believe that people in the agriculture community understood the move that the Premier has made to bring rural affairs back and to place agricultural on P and P. I think that as we move forward, they will continue to see the evidence that this government is absolutely committed to the priority of the agriculture industry in our province.

Mr. Barrett also spoke about the CAIS program, and I have to say that I think some of the comments that he shared on the program reflect some I've heard in my own constituency. I'm very happy to say that our government has recognized that this is a business risk management program, that we partner with the federal government to provide, that definitely needs to be improved.

I think a very meaningful step was taken this summer, in July, when all provincial agriculture ministers came together. I'm sure you can appreciate that the issues that producers face with CAIS in Ontario are consistent across the country, and with our federal minister, we are committed to addressing those issues.

You may recall from my opening remarks that I believe the first significant issue that has been addressed was the issue around the deposit. There were many producers, farmers, who felt that that was tying up important capital that they perhaps did not have. So we've moved from the requirement of a deposit to a fee. This direction is the result of advice that had been received from many of the producer groups, and I think it's important to say at this table that not all provinces thought that the deposit should be scrapped, and I give a great deal of credit to the agriculture community in Ontario, which I think put some very compelling reasons why that is a fair consider-

ation, and I'm happy to say that is one of the issues that has prevailed.

Normally the Ministers of Agriculture meet once a year. We met in July, and we're meeting again in November, specifically to deal with how we can improve the business risk management program, the CAIS program, and I did identify in my opening remarks the areas that we intend to consider.

I have to say I was rather puzzled by Mr. Barrett's suggestion that he's not sure if he or his government would support the agricultural policy framework that we have signed with the federal government, although it is my understanding that it was Minister Helen Johns who did support it in principle in Halifax in the year 2002. However, she did fail to sign it officially.

Our government has done that because we have recognized—first of all, we support the five pillars of the agricultural policy framework. This is a framework that is designed to support the agriculture industry in five very key areas, business risk management being but one of them, but also environment, research and innovation, the sustainability of the agriculture industry. I think that an agreement that will potentially deliver \$1.7 billion in all of those pillar areas to the agriculture community in Ontario is a good thing. It would be irresponsible for this government to turn its back on the ability to deliver those financial resources to this very important sector in Ontario.

Those would be some of my remarks that I would offer to my colleague Mr. Barrett.

With respect to the comments that have been made by Mr. Hampton, the first issue that he brought to the attention of this committee was the commitment of the government to provide an effective safety net program for the agriculture industry in Ontario. I think it's important that Mr. Hampton understand that that has in fact happened, that with the signing of the agricultural policy framework, which includes a business risk management component—that would be the CAIS program and the production insurance program—our government is working to fulfill its commitment to the agriculture community in that regard.

1050

With respect to certain agricultural groups—and the example that Mr. Hampton presented was from the grains and oilseeds folks—who I believe have identified why and how the CAIS program is not meeting their needs as a business risk management program, I think it's important that the honourable member would understand that our government is working to deal with that. I have also made it very clear to the grains and oilseeds producers that I am prepared to receive their proposal. It's not just the grains and oilseeds folks that feel that the business risk management program in place is not meeting their needs; the fruit and vegetable growers also have issues. I have met with them and continue to consult with them. I have asked them to bring me their ideas. I have made it very clear that it is the intention of this ministry to take their numbers and crunch them, and that we will respond

in a way that we believe might better address the issues they have around how the CAIS program is not working. We are still in the very preliminary stages of those considerations, but I think it's very important, here today and for the public record, that it is clear that we are very willing to work with our producer groups to deal with the issues they identify for us.

I am going to comment now on the presentation made around our commitment to improve markets for agricultural products in Ontario. Mr. Hampton has specifically referred to our ethanol growth fund and our government's commitment to cleaner air, to improving the environment, and to requiring cleaner gas in Ontario. He has offered comments made by the Ontario corn producers, where they had brought forward three scenarios in terms of how it might be possible to prefer Ontario corn. It's important, number one, to remember that this province is a net importer of corn. That means that there's not enough production at this time in Ontario to meet our own domestic needs. It is our hope that the requirement to have 5% ethanol in our gasoline will inspire investment in ethanol production. We have established the growth fund to add some incentive to that, and any increase in demand for corn in Ontario is going to be a benefit to corn producers.

It is important to understand that the three scenarios presented by the corn producers have been vetted. We are exercising due diligence when we have these proposals vetted by legal trade experts. Unfortunately, the advice to the government was that the three proposals, as presented, would constitute a subsidy. It's somewhat ironic that the member might advocate for programs that would constitute a subsidy when the corn producers are actually initiating an action against subsidies in another jurisdiction.

So there's no question that it's a very complicated and complex issue, but I think that, going forward, we do want to ensure that we create a very healthy climate for corn producers but yet not jeopardize our corn market by having a policy that might be considered international trade unfriendly.

I would suggest that any attempt on the part of the government to require the use of Ontario corn could result in sanctions from other jurisdictions. We can all appreciate that that would not necessarily help the industry. At the same time, this initiative will lead to an increase in the demand in corn, and we believe that is going to be good for Ontario corn producers.

Moving on to the point around OMAFRA as a lead ministry: I've offered some comments in response to Mr. Barrett, and I think they are valid for Mr. Hampton as well, in terms of how this government has positioned the Ontario Ministry of Agriculture, Food, and Rural Affairs as a lead ministry. Again I would underline that this government has increased the operating funds for the Ministry of Agriculture, Food, and Rural Affairs. The business risk management component of this ministry's operation does vary from year to year, and I would remind people at this table that those dollars that are

spent in that particular area are driven by applications that we receive from our producers. Depending on the urgency in certain years, depending on the economic conditions, it is possible that with regard to CAIS and production insurance, there will be some years where there will be higher expenditures there and years where they will be lower, but that is entirely industry-driven. But with regard to the operating funds at OMAFRA, they have increased.

With respect to the protests or the demonstrations, I was out there on the field for the protest that was led by the unified group, the first one. I have to say I was very proud to be a member representing rural Ontario, and to get out with the good folks who came to make their point in a very calm and friendly way. There's no question that some people were very frustrated for a variety of reasons—some were directed at government and some were directed to different individuals—but I think that it was an important exercise for the agriculture community because it did unify their voice. It was an important exercise to educate, and I don't believe that their target was just the government of Ontario. I think that they wanted to impress upon all the people of Ontario, all the people who go to the grocery store and buy their products, that there have been some very extraordinary circumstances that they have had to live with in recent times, and it was important, they felt, that the people of this province understood that it's a very valuable industry, a vital industry, to our wellbeing as a province and that they did need support.

I was very proud of the way that demonstration was conducted, and I was very pleased that members of the government caucus and members of opposition caucuses were out there. We felt very free and comfortable to go out and talk to the people who took the time to come to Queen's Park to make their point. We did listen; we didn't turn our backs on them. We were out there, very happy to hear what they had to say—not always happy with what they were telling us, but that's part of this job. We as a government appreciate and understand the issues they brought to us on that day, and I think that it was a very important one.

That was your point on consulting with industry. The last point you made—actually, I think that pretty well covers it. Thank you.

The Acting Chair: We'll now move to the regular rotation and begin with 20-minute rotations for each party, beginning with the official opposition.

Mr. Barrett: We met with a number of groups at the plowing match recently—John Tory, myself and virtually all of the general farm organizations and many of the commodity groups. It was a dairy farmer who raised the issue that Quebec has a long-term agricultural policy. They've made decisions as a province—perhaps food certainty and sovereignty-box-type decisions. We think of the ASRA programs. In Ontario it is argued that many of the ad hoc programs—subsidies, if you will—drive up the price of land, for example. This is not to say that the short-term programs are not needed, with so many farm

commodities or farmers in a crisis situation. I know the Ontario landowners group described the situation as catastrophic in some quarters and that short-term financial help is quite appropriate.

1100

The question was with respect to what is perceived as a long-term agricultural policy within the province of Quebec. The question to you would be, what is the long-term plan for Ontario with respect to agriculture, food and rural affairs?

Hon. Mrs. Dombrowsky: As I indicated in my opening remarks, supporting the agricultural sector is a priority. We believe that building strong rural economies obviously involves supporting the producer sector. There's no question about that. It also involves ensuring that rural communities have access to health care. It ensures that rural communities have rural schools that are viable, that have principals in them. It ensures that rural communities have resources to improve their infrastructure. I'm very proud to say that on all four of those fronts, I believe our government has demonstrated, with investments, that we are supporting the plan to build strong rural communities.

Mr. Barrett: Is there a plan published or a document? I know the visiting exercise has been launched. I know that from Web sites.

Hon. Mrs. Dombrowsky: There is a document called Growing Strong Rural Communities. We'll certainly see that you get one. It's also on the Ontario Liberal Party Web site. We would be happy to see that you get that.

You did reference the ASRA program in Quebec. I think it would be important to identify for the members here today, when I spoke to you about the talks that are going on at the international level, at the World Trade Organization, there are some programs that exist in Canada that are being scrutinized, and the ASRA program is one of those. I find it interesting too that you brought forward a perspective from the landowners. I assume you're talking about Lanark landowners.

Mr. Barrett: No, these people didn't live in Lanark.

Hon. Mrs. Dombrowsky: But were they part of that group?

Mr. Barrett: The Ontario landowners.

Hon. Mrs. Dombrowsky: On one hand, you're suggesting it is important that the government take responsibility and provide programs that support producers. That is not consistent with what the landowners talk about. I vividly recall a quote from Randy Hillier, who was on a radio station, when he said he didn't want the government taking money out of his pocket and giving it to a farmer, any kind of difficulty notwithstanding. I just think it's important for the record that there's an understanding that there are some groups out there who do not support any programs that would provide a support or service—I wouldn't say a subsidy necessarily—or that when there's a recognition that there are difficult times, the government has a responsibility to respond. There are those out there who do not support that action, and it's my understanding the landowner group is one of those.

Mr. Barrett: I'm not going to comment on the merits of one rural organization over another. In a democratic society, they have the right to assemble and to have meetings—

Hon. Mrs. Dombrowsky: They absolutely have the right to assemble. I respect their right to assemble. I just find it curious that when you present a perspective from that group, it would seem somewhat ironic to me, because from my perspective, from my view, from what I have read, their views are not consistent with what you're suggesting maybe could be part of a rural plan here in Ontario.

Mr. Barrett: As I said initially, this question came from a dairy farmer representing Dairy Farmers of Ontario. With respect to the representatives of the Ontario landowners or some of their chapters, again, everybody was at the table at this meeting at the plowing match. At that meeting, and in many other meetings, the issue has come up around what some of the underlying problems are. The greenbelt, of course, continues to come up; nutrient management; the perception of government intrusion and potential government intrusion with respect to source water protection; tree-cutting bylaws; trails—a concern that the trespassing act either doesn't have the teeth or is not being enforced.

At a number of meetings and, of course, from the various chapters of the Ontario landowners, the issue of landowners' rights comes up, as I think you would know. I don't know whether you've met with them yet, but you probably have in the past. On the issue of property rights—Ontario lost that, I guess, with the implementation of the Charter of Rights and Freedoms—the concern is that there can be takings in rural Ontario with no compensation. I guess the question is, what is your view on restoring property rights to the province of Ontario?

Hon. Mrs. Dombrowsky: I'm happy to respond to a number of points the honourable member has raised. First of all, I think it's fair to say that this government and this minister stand with agriculture producers and agriculture representatives when we say that we support supply management. Ontario landowners do not support supply management, but we stand with Ontario farmers and we support supply management.

If you want to talk about Ontario landowners, Ontario landowners do not support food safety regulations. Our government stands with agriculture leaders and producers, and we support a strong food safety system. Producers have long recognized that one of the aspects that makes Ontario products most marketable is that they are known around the world because they are safe and they are quality, and they would not want to see any regulations that would weaken food safety, unlike the landowners. We believe—and we support Ontario farmers and producers—that it's very important to have regulations that ensure food safety.

With respect to regulations around nutrient management and source water protection, again, we stand with Ontario farmers, who have long been stewards of our environment. They have asked the government for nutrient

management regulations that are consistent across the province. They wanted to do away with the patchwork quilt of bylaws that existed. The landowners don't think there should be any regulations. I don't believe that's what the agriculture community is asking for or what the people of Ontario at large are asking for.

The landowners have made it very clear that they do not support providing additional resources to farm groups in times of crisis. Our government stands with farmers and agriculture producers. I think we have demonstrated in the two years we have been in office that when there are crises, we will be there to support the industry. The landowners do not support that. Our government supports farmers and agriculture producers.

With regard to property rights, we believe that, obviously, under the Charter of Rights and Freedoms, people in Ontario have the right to own property. With that right of ownership comes responsibility, and that is where we as a government will work with property owners to ensure that activities on properties that could potentially negatively impact neighbours or the environment are regulated. I don't think there is anyone in Ontario who would not recognize the government's responsibility to ensure that the greater good of all in the community is protected in that way.

1110

Mr. Barrett: I want to raise an issue with respect to deer and elk farmers. From my perspective, they got blindsided. They seem to have fallen through the cracks, and I don't know whether they got caught up in perhaps some of the to and fro between farm organizations. They feel they should be receiving compensation from MNR, and I don't know whether you can address this or not. There's great potential in that industry beyond the hit that they took. For example, I think there's a demand for their antlers in Korea. They indicate that they have difficulty getting kill time at abattoirs. I don't know where it lies between the hit they took through MNR regulation and agriculture and what kind of relationship you would have on that file. I guess my question is, very simply, what can we do for the deer and elk farmers? They need compensation. The government has made some decisions that have hurt them.

Hon. Mrs. Dombrowsky: I'm sure you're not surprised, Mr. Barrett, when I say that I have become aware of the issues of deer and elk farmers. As you have also identified, my colleague Minister Ramsay has a role to play in determining how we're going to deal with the issues that they've brought to our attention.

You have, however, touched on an area where the Ministry of Agriculture, Food and Rural Affairs has some responsibility, and that is with regard to the kill capacity in Ontario. We appreciate that that can be a challenge in certain communities. I'm very happy to say that this ministry will provide to any abattoir up to 37.5 hours a week for inspection services, so that when the killing of the animals occurs, they have the ability to have those resources available. During the BSE crisis, our government also made investments to increase the kill capacity.

So I would suggest that we have made investments that should assist this industry. We also have been meeting with the deer and elk folks to understand what other areas we might begin to work in to assist them better. I believe that the Minister of Natural Resources is aware and working on this issue with respect to improving access to abattoirs. We are providing 37.5 hours per week for meat inspectors to be available to abattoirs, and I believe that this is a good first step to deal with these issues.

Mr. Barrett: Just to back up a bit, either you or I made mention of the impending source water protection regulation. I know that you, as environment minister, announced that that legislation would come forward at the end of last year. I'm assuming it would come forward from the Minister of the Environment this year. In your new role now as Minister of Agriculture, Food and Rural Affairs, there is concern that there is an overemphasis—in fact, much of the concern that I hear in meetings is about an overemphasis on environmental issues from the minister versus production agriculture, and I'm probably referring to the past minister—there is concern with source water protection that is based on precautionary principles as opposed to science-based or risk-based.

You talk to farmers who continue to run their cattle in the creek or in streams. I know that is certainly done locally. We did it ourselves many, many years ago and that was just part of it. We couldn't afford the fencing, and we have actually rehabilitated many of those streams now and have put in trees. There was some help for us, actually, a number of years ago through the Ministry of Natural Resources to put probably 150 acres into trees. But many farmers are quite adamant about running cattle in streams, running them in their woodlots—that's not best-management practice either as far as the pressure it puts on root systems—or in wetlands.

With respect to source water protection, we all know the call that society should bear some of the burden of the cost. I would ask you your perspective, speaking for farmers. I would like your comments on what your ministry is doing with respect to developing legislation around source water protection.

The Acting Chair (Mr Jim Wilson): I'd just remind you, Minister and Mr. Barrett, that there are just a couple of minutes left in this round of questioning.

Hon. Mrs. Dombrowsky: How much time would there be?

The Acting Chair: Two minutes.

Hon. Mrs. Dombrowsky: I have a really long answer but I'll do my best.

With respect to source water protection, because of my previous experience I know there has been significant consultation on both the technical aspects of what the legislation should include and how it can be implemented. I know that the agricultural community has had a significant role to play on both of those committees that were established and filed the recommendations to the Minister of the Environment last fall.

This is groundbreaking legislation. It is so significant, and it is worth taking the time to do right. It is worth the

time taken to consult with all the constituencies that have an interest in it. It's one of the few times that draft legislation was actually posted on the Environmental Bill of Rights registry, so people in Ontario have a very good sense of what the legislation is going to look like when it is introduced.

I would say, going forward, that the source water protection initiative is very much a science-based, risk-based initiative. What I have heard from agriculture representatives I've talked to—in fact, there isn't one of them who does not support the approach that it should be science-based and risk-based, unlike the approach that was used, for example, with regulation 170, which was a blanket regulation that paid no attention to the risks or the science that might have been presented. It applied universally across the province.

The Acting Chair: I'd just ask you to wrap up, Minister, please.

Hon. Mrs. Dombrowsky: Going forward, I think the agriculture community should be assured that their interests have certainly, and will continue to have, an opportunity to have them addressed.

With regard to cattle in streams, the Canada-Ontario water supply expansion program does supply resources to farmers so that they might implement a plan that will demonstrate their initiative to protect water.

The Acting Chair: Thank you very much. Your time has expired on that, Mr. Barrett. Mr. Hampton, please.

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Mr. Hampton: Thank you, Chair. I have some questions I want to ask about, again, the repeated announcements the McGuinty government makes about ethanol and corn production.

I read to you earlier the Premier's comments during the last election campaign, when he went to a farm in Embro and made an ethanol announcement. The very clear message coming out of the announcement was that this would result in more Ontario corn being grown. In fact, the announcement itself sounded as if the government was going to do something to help Ontario corn producers.

Corn producers have attempted to take the McGuinty government up on what the Premier said during the election, and that's been repeated since the election, in the announcement that was made June 17. In fact, I think you were part of the announcement with the Premier. It says that the ethanol growth fund will boost ethanol production in Ontario; it's good news for the air we breathe, good news for farmers and rural communities. It says, "By supporting the production of ethanol fuel, we're helping our farmers." It goes on to talk about helping our farmers in a couple of other places, but the ethanol growth fund doesn't refer to any assistance to farmers. It's capital assistance for the people who want to build ethanol plants, operating assistance to them to address changing market prices, support for independent retailers selling ethanol blends, and a research and development fund, but nothing here for farmers, nothing at all.

Maybe you can tell me, since there's money here for very large corporations—Suncor is no small operator. There's obviously taxpayer money, government funding, for very large corporations. There's financial support for independent retailers selling ethanol blends. There's operating assistance for some of these corporations to help operate their plants. Since there are subsidies for these things, why would some kind of assistance for farmers be so quickly ruled out by your government?

Hon. Mrs. Dombrowsky: To respond to Mr. Hampton, the ethanol growth fund was established to inspire investment in the production of ethanol. Ethanol for the most part comes from a process that uses corn, although corn is not the only agricultural product that produces ethanol. Nutrients from agriculture operations produce ethanol; sweet potatoes produce ethanol. So I think it's important, first of all, to appreciate that there is a range of feedstocks that can ultimately produce this very valuable product that we are committed to increasing the component of in our gasoline.

We are committed to cleaner gas in Ontario because it's important for our environment. It will reduce greenhouse gas and improve air quality. The growth fund is established to inspire investment, and up until now there has not been significant investment because there's never been a guarantee for the demand. We have required a 5% component in gasoline that I believe provides the industry with good incentive. It's also been made very clear that there is a need to provide resources to meet the need in the time frame that is required.

Also, Mr. Hampton would suggest that the growth fund is available only to large corporations. I think it's very important for the public record to correct that. Farm co-operatives would be as eligible to apply to the growth fund as any large corporation. In fact, it's my understanding that the media records will very clearly indicate that there are farm co-operatives very seriously pursuing the possibility of applying to the growth fund to produce ethanol. So to suggest that this is a fund that is funnelling financial resources to corporations alone is, in my opinion, not accurate. I think the growth fund has been made available to any entity or group that can demonstrate it is interested in the production of ethanol, and if that entity is a farm co-operative—as the honourable member would know, farm co-operatives have the ability to determine where they get their feedstock—that is good for rural Ontario and good for our farmers.

I also think that a new market opportunity in Ontario is going to improve the price of corn for Ontario corn farmers, whether they sell their corn for ethanol or elsewhere in the market. As we've already indicated today, our province is a net importer of corn, so there will continue to be feed markets and corn product markets that need corn and, we expect, growing amounts of corn.

It's also important that I offer a comment that our government did not dismiss the corn producers' proposals out of hand; they were taken very seriously. We consulted trade law experts. We have made it very clear that we are concerned that any action, program or for-

mula that we would adopt that could potentially have a penalty placed on our product would not be in the better interests of the agricultural community, ethanol producers or the people of Ontario.

Mr. Hampton: Chair, I'll have another go at it, because I don't think the minister answered my question. In fact, I think the minister struggled to avoid answering the question.

Your comment that ethanol is not necessarily made from corn is in direct contrast to what the Premier said on September 27, 2003, when he made an announcement at a farm near Embro and promised that 5% of gasoline sold in Ontario by 2007 would contain ethanol. I want to quote the Premier again:

"It means at least five ethanol plants, it means at least \$500 million in investment.... This is a huge boost to rural Ontario. You make ethanol from corn, so we are going to be asking Ontario farmers to grow a lot more corn...."

The Premier didn't talk about wheat; he didn't talk about potatoes; he talked about corn. As the president of the Ontario Corn Producers' Association says, "Premier McGuinty's promise very clearly was to get ethanol plants built in Ontario using Ontario corn as a boost to rural Ontario and to Ontario corn producers."

When the announcement, which you participated in, came out on June 17, 2005, there was capital assistance to corporations that want to build ethanol plants. Yes, I guess co-ops could apply, but I note, of the five that are referenced, Suncor is not a co-op; Nacan/Power Stream, as I understand it, is not a co-op; Seaway Valley—I'm not sure if Seaway Valley is a co-op. It's pretty clear here, looking at the size of these operations, that the big guys, the big producers, are not co-ops, but I'm not going to quibble over that. The announcement was for capital assistance for companies that want to build ethanol plants, operating assistance to those same companies to address changing market prices, and support for independent retailers, but somehow farmers, corn producers, are left off the list.

So I'm asking the question: If you can subsidize everybody who's involved in ethanol production—you can subsidize them with capital grants; you can subsidize them with operating grants; you can provide financial support to independent retailers selling ethanol blends—what happened to the poor farmers?

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Hon. Mrs. Dombrowsky: Are you finished?

Mr. Hampton: For now.

Hon. Mrs. Dombrowsky: OK. First of all, now I'm confused, because what are you asking? First you suggested that we would guarantee we would buy Ontario corn only; now you're suggesting that maybe there should be a subsidy and a fund. I think that I'm going to answer your question, again: The fund is available to any entity, corporation and/or co-operative. You have referenced five that have demonstrated an interest. Two of them are co-operatives, so 40% of the applications have the potential for the producers to access the fund. Very

clearly, there is no desire on the part of this government to prefer corporations and/or co-operatives. It is open to whoever would apply and would bring a claim that would demonstrate they can meet our commitment for the need for ethanol.

Again, I will answer the member's question when I say that this new market opportunity in Ontario for Ontario-grown corn will help improve the price of Ontario corn. They will sell their crop into the ethanol market, or elsewhere, for that better price.

Mr. Hampton: Right. I'm struck, though, by the Premier's comments, when he made the announcement, that this was going to make a difference for corn producers in Ontario. The fact is that you're now going to subsidize just about everybody else who's involved in the production of ethanol, but the farmers who are struggling, who are having a very tough time making it, somehow don't get on the list.

Ontario's not the only province that's going into the production of ethanol. Manitoba is legislating ethanol content in gasoline. In fact, the Manitoba regime requires 10% ethanol in gasoline by 2007—twice as much as Ontario within the same time frame. It's interesting when you read the Biofuels and Gasoline Tax Amendment Act from Manitoba, because Manitoba, when they licensed these ethanol producers, included in the licence a provision mandating a set percentage of Manitoba grains to be used in the production of Manitoba ethanol. They too are developing an ethanol strategy, but they're very clearly saying, "If you want to operate an ethanol plant in Manitoba, part of the licence you must agree to is that you will source a set percentage of your grain used to produce ethanol from Manitoba producers." They see this as a win-win: They grow the domestic ethanol industry, and Manitoba grain producers and oilseed producers will benefit. Can you tell me, how can Manitoba do this when you refuse to do it in Ontario?

Hon. Mrs. Dombrowsky: A couple of points: First of all, it's important that I comment on Mr. Hampton's suggestion that corn producers would not receive support from the government for their operations. I've already referenced the business risk management program so that corn producers in Ontario do have access to the CAIS program and the production insurance program. I know that the corn producers—the grains and oilseeds folks—do not believe that CAIS is meeting their needs. We recognize that, we respect it, and we have made it very clear that we will work with them to consider how, going forward, we can address those issues. So I think it's very unfair to present or suggest that that particular sector is totally abandoned by the government. Our government is working with them. We do have a business risk management program in place. We hear that they're saying it's not working well and we're going to deal with that.

With respect to the reference to Manitoba, again I say to the honourable member that this is an issue we have looked at very carefully. We have asked trade experts to give us their very best advice on the three proposals that came from the grains and oilseeds. You know from your

background, Mr. Hampton, that if you ask for a legal opinion on any issue, it's not unfathomable to get one on one side of an issue and one on another. Our government has received the opinion that it would put the industry at risk if we were to require a percentage of corn in the ethanol plants here to come from Ontario production.

The Acting Chair: We just have a little over two minutes left.

Hon. Mrs. Dombrowsky: So going forward, we wanted to ensure that we had a plan that was going to be trade-compliant. There have been questions whether or not the Manitoba plan is, and whether or not it will be challenged. I believe that what we have in place is trade-friendly and that the people of Ontario do not have to worry that they are going to be taken to court by another jurisdiction because the plan we have implemented is not trade-friendly. I think we have a responsibility to the people of Ontario to exercise due diligence in that regard, and that is what we have done.

Mr. Hampton: Just to be clear, you're saying that the Manitoba strategy—you may have dismissed the three strategies put forward by corn producers in Ontario, but you're also saying that what Manitoba is doing by mandating, through its licensing of ethanol plants, that a set percentage of the grain that goes into those ethanol plants has to be from Manitoba producers—it's the McGuinty government's position that that is contrary to trade rules?

Hon. Mrs. Dombrowsky: If I may, I think I would again like to correct the suggestion that the presentation for consideration by corn producers has been dismissed; in fact, nothing could be further from the truth. Our government has contacted trade and legal experts, and we have received their opinion. Again, we believe we are acting in the best interests of the people of Ontario by not pursuing that.

With respect to the Manitoba policy, it's not the position of the McGuinty government, but it has been brought to our attention, it has been provided to us by way of legal advice, that it is possible—nothing is for certain until it is tested in a court of law—that that could be deemed as not trade-friendly.

The Acting Chair: Last comment, Mr. Hampton.

Mr. Hampton: So it's the position of the McGuinty government that you can subsidize a corporation building an ethanol plant, you can subsidize their operating costs, you can provide them with operating assistance for the ethanol plant, you can provide financial support for independent retailers selling ethanol blends, you can do all those things, and that would not cause a trade issue but doing something to support farmers would immediately result in a trade issue.

The Acting Chair: Could we have a quick response, Minister, please.

Hon. Mrs. Dombrowsky: We know that the response we have in place for farmers under the agriculture policy framework, with CAIS and production insurance, is trade-friendly. We know that we are committed to cleaner gasoline in Ontario and we are committed to the

ethanol growth fund to inspire investment to meet the demand for ethanol in the province. That's our policy.

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Mrs. Carol Mitchell (Huron—Bruce): I just want to say that I'm going to be allowed to take the first couple of questions. There's such enthusiasm from the committee members here to ask questions with regard to the agriculture budget that they have given me just a wee bit of time, so I'll ask my questions quickly, Minister.

One of the things I believe needs to be clarified is that not only do we understand, as obviously the opposition understands as well—because clearly, what they're looking for is leadership, hope and inspiration. I'm so pleased that as a government we are coming forward with that by making agriculture, food and rural affairs a lead ministry. But one of the questions that keeps coming up repeatedly today is about actual budget to budget. Would you clarify for me the actual numbers—I don't believe there's an understanding of the risk management pillar by the opposition—so they would understand the deviations from year to year for the budget? I look for some clarification for our fellow rural members.

Hon. Mrs. Dombrowsky: I'm very happy to respond to Mrs. Mitchell. I agree; it would appear we're having some difficulty bringing some clarity to this. I have with me members of staff from the Ministry of Agriculture, Food and Rural Affairs. It is a very complex file and a complex issue and we're very pleased to have this opportunity to respond. Deputy, maybe I could ask you to direct who might help with this.

Mr. Archibald: I think I would ask Dorothy Miller, our manager of finance, to go over the numbers in terms of the budget.

Ms. Dorothy Miller: We're pleased to provide some details to the committee. Certainly, if we look at the budget compared to last year's estimates—and I assume that's the comparison you're requesting—the budget for the ministry is up by \$15 million, and that represents some increased commitments in some areas. You do need to remember, of course, that the budget for the ministry, as presented in estimates, includes not only activities of the ministry but also activities of Agricorp, a consolidated agency. The key point to remember is that the budget has been increased by \$15 million.

Mrs. Mitchell: If I may, I would like to make a comment, but I know the minister will be very much wanting to expand on this. One of the discussions that has happened today is about investment in the businesses in our rural communities, what is appropriate and how we invest that money. One thing I would want to say is that in the riding I represent, certainly Bruce county, most people understand how we are so dependent on the red meat industry. One of the things I would like to comment on is the mature animal fund and what it did to increase our kill capacity. When I directly correlate those to actual prices that were received for the industry this year, when you look at investing in the capacity for the mature animals and helping the industry through the businesses, I see that in fact it helped in the prices the

farming community received when they went to sell their product. Minister, would you like to expand on that?

Hon. Mrs. Dombrowsky: The Ministry of Agriculture, Food and Rural Affairs appreciated that during the BSE crisis, one of the more pressing issues for beef producers was that when the US market was no longer available, we needed to develop a capacity to serve the domestic market. I think it's also important to note that during the BSE crisis, beef consumption in Ontario actually increased. The beef industry is very appreciative of the support they received during this crisis from the people in Ontario. Obviously, the people in Ontario continue to have great faith in the quality product that they produce and demonstrated that not just with words but with actions. I think our government, too, responded with actions in that we set aside \$10 million for what we call the Ontario cull animal strategy, and that was directed specifically to increase what they call kill capacity.

During the crisis, the only way that beef farmers were able to make any money at all, because their US market had dried up, was to sell their meat locally. The market that they shipped to in the United States took the cattle live, and so there was a lack of processing capacity, of kill capacity, within the province. In order to enable beef producers to actually sell the product within their communities, we needed to improve that capacity. I think it's important to note that Ontario was the first province in Canada to move in this direction, to increase kill capacity, so that their beef producers would actually have more immediate access to revenues and improved beef prices. To the credit of this government and the former minister, I believe they acted very perceptively an area that was absolutely essential.

I'm just looking here at the notes that have been provided. As a result of those investments, we have increased the kill capacity in the province of Ontario by 6,700 animals per month, which is I think in the neighbourhood of—I'm just thinking of the percentage—a 30% increase in kill capacity during that crisis. So our investment has delivered a 30% increase, which enabled our beef producers to get better prices for their beef. They were sending them to the sales barn and in some cases, after paying the truck, getting virtually nothing. If they sent them to the abattoir to be cut and wrapped, they were getting a dollar amount per pound or per kilogram for their beef product.

As a result of that, number one, I think it was a wake-up call for our province and for the industry that we did need to increase what we call the value-added capability within the province. I believe that, as with any adverse circumstance or situation, we learned from it. We learned, as a result of this crisis, that we do need to build more value-added capacity in the province so that, if markets for whatever reason suddenly disappear, we have an ability to absorb some of that shock in our own communities and our own economy. That, of course, obviously has improved the circumstances within rural communities, as beef producers were then better able to make some money and stay alive and stay viable.

The Acting Chair: Go ahead, Mrs. Mitchell; or would another member of your team like to say anything?

Mrs. Mitchell: I'll just take a short one. I'm sneaking in just one more.

One of the initiatives that I believe the minister has very strong passions about is retention of our young farmers on the land. This has been mentioned numerous times by the opposition. Could you please make comment on that, Minister?

Hon. Mrs. Dombrowsky: This is something that actually was discussed with the Premier at the meeting we had at the plowing match with agricultural and rural leaders. We believe that one of the best ways to inspire our youth to remain in the agriculture industry and remain in rural communities is to make it a viable future, to make their hard work actually pay off.

As I've indicated over the course of the morning, our government has undertaken a number of initiatives. I think one of the significant ones that comes to the top of my mind is the signing of the agricultural policy framework with the federal government. It's a framework that deals not just with business risk management, which just deals with the industry and how to manage in time of crisis and what supports are there to ensure that the industry continues. What I hear from agricultural leaders and producers is that they are looking for significant investments in research and innovation. They recognize that if we are to continue to compete with quality products, if we are to continue to have a viable agriculture industry, we must invest in research and development in this province so that our producers, our agriculture industry, is on the cutting edge of the technologies that are being invested in around the world.

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It's a very, very competitive market, as I've already said. Farmers deal with two climates, the natural climate and the economic climate, which is very competitive. Anything that we do as a government to provide the industry with what is the latest and the best and the most efficient and the most effective in terms of managing farm operations I believe is an investment in the future of the industry.

A couple of other things, particularly with regard to young people taking over the farms: Our government has waived the land transfer tax for farms that change ownership between family members. Since I have been elected as an MPP, that is an issue that came to me in my constituency office. I was very happy, when we came to government, that that was something we were prepared to act on.

I hope that the various programs have demonstrated our willingness to assist farmers to invest in environmental practices like nutrient management. Our investments to support the industry in times of crisis, like we have for grains and oilseeds and during the BSE crisis, would also inspire people who are either involved now, or looking to be involved, in the agriculture industry, that it is an industry that our government values, that we are committed to support, and that we have a vision for the

future that does involve significant investments in research and innovation so that our farmers will continue to be on the cutting edge of that industry in the international marketplace.

Mrs. Donna H. Cansfield (Etobicoke Centre): Minister, I have thoroughly enjoyed your presentation. I think it clearly articulated the position of the government in terms of the agriculture community. But I'd like to ask if you would expand on a couple of comments within your speech. One is around the greenhouse sector, which has embraced technological innovation. I wondered if you could expand on that, and if you could also expand on the next, which is that it has grown to such an extent that it now represents half of the nation's greenhouse industry.

Hon. Mrs. Dombrowsky: I have that answer; I'm just looking for it. This is technological innovation?

Mrs. Cansfield: Yes; in the greenhouse industry.

Hon. Mrs. Dombrowsky: My staff are going to look for the particulars in the binder, but this sort of follows on the point that I was making with Mrs. Mitchell. This is an area where, when we speak with our stakeholder groups, they continue to encourage us to make those investments in research and innovation because they recognize that in the global marketplace it does give them a definite competitive advantage.

There's a range of ways that I believe our government has demonstrated its commitment in this area. We have established a research chair that will work out of the University of Guelph. We are still in the process of finalizing the memorandum of understanding that will go with that position so that the university understands our expectations, and that we as the government are able to indicate the areas where we want to see some focus.

Also, in the area of research and innovation, you are probably aware of, as a result of listening to farm representatives at the Premiers' summit, the agriculture research stations that had previously been the responsibility of ORC and have now been delivered to, and become the responsibility of, the Agricultural Research Institute of Ontario. This will do a couple of things, of course. It will enable agricultural producers to work with an institution that has a specific goal and role, as the research institute does, to advance and advocate on behalf of agriculture in Ontario. It will also enable the leveraging of more federal and industry dollars as they work in partnership in these communities on particular initiatives.

Assistant Deputy Minister Don Taylor is going to be very happy to provide you with some of the details on what has happened in the greenhouse sector.

Mr Don Taylor: I'm pleased to provide some information to the committee. The greenhouse sector in Ontario is primarily located in two main areas: the Leamington area in southwestern Ontario, where most of our greenhouse vegetables are produced, as well as the Niagara area, which produces the majority of the greenhouse flowers. It's a very, very rapidly expanding industry in Ontario, and that expansion is based to a very large

extent on the use of new technology, technology that has developed as a result of our research programs but also as a result of research programs around the world.

Our significant support for the industry comes through our research programs, as the minister indicated. We also have a small group of staff that work very closely with the industry, primarily out of Essex county, out of the Harrow location, as well as out of the Niagara location, to work with the growers to ensure that they are aware of and able to implement the latest technological advances. I'd certainly recommend, if anybody has an opportunity, seeing the greenhouse industry, particularly down in Leamington. It certainly is an eye-opener in terms of what modern technology can do for productivity.

The other major work that we do is in affiliation with the federal government, which has a significant research station at Harrow. Our staff are actually located at that research station so we can work more closely together with them to ensure that the technology they're developing through their research programs is extended to the producers and able to be used by the producers.

I hope that helps with the understanding.

Mrs. Cansfield: It does. Thank you very much.

The Acting Chair (Mr. Toby Barrett): We have three minutes remaining before we recess. Are there any further questions from government members?

Mrs. Cansfield: Minister, as you know, one of the areas I'm particularly interested in is energy. I was just at the Canadian Greenhouse Conference and looked at the technology around and opportunities within the energy sector. I wonder if you could expand on the relationship with the agriculture ministry in the rural communities around energy initiatives.

Hon. Mrs. Dombrowsky: I want to offer thanks to Mrs. Cansfield because of her tireless efforts to get out into rural Ontario and bring the energy message in terms of how our government is looking to engage rural Ontario and the agriculture community in helping us deal with our energy demands. I have to say that her good work has borne a good deal of fruit. As I speak with agriculture representatives, they are very keen, particularly—I had the opportunity to meet with a group of folks. There was a professor from the University of Guelph and community representatives who are very eager to pursue biodigester initiatives in the province. In my own constituency, when I have the opportunity, as I had over the summer, to speak with many producers and farmers, the idea of generating energy on their own properties, using windmills, being able to access the grid—these are all very encouraging. I think they see it as a ray of hope.

Mr. Barrett, you talked about hope and the need to inspire hope. I think that the good work Mrs. Cansfield has undertaken, particularly on this file, has inspired hope that down the road it is possible for producers, for farmers, to look for ways to make investments in terms of providing energy for their own operations and actually be compensated for any overages they might produce and help out the energy consumers of Ontario. That has been

the response I have received. I'm sure it's not at all unlike what you've been hearing across rural Ontario as well. I encourage you to keep up your good work.

The Acting Chair: Thank you, Minister. This committee now stands recessed until 12:30 this afternoon.

The committee recessed from 1159 to 1239.

The Acting Chair (Mr. Jim Wilson): Ladies and gentlemen, we'd like to get started. Minister, are you ready?

Hon. Mrs. Dombrowsky: I'm ready.

The Acting Chair: Mr. Barrett has the floor for the next 20 minutes.

Mr. Barrett: I appreciate that the leader of the third party has raised the issue of grain and oilseeds and corn, and some of the issues around their proposal for a companion program, a risk management program, in conjunction with the CAIS program.

I wanted to raise one issue that certainly has been on people's minds and on the minds of a number of organizations. As we know, the corn producers are lobbying Ottawa to place countervailing duties on US corn and to complain to the World Trade Organization that US subsidies contravene international agricultural agreements. The Ontario Corn Producers' Association has filed a dumping complaint with the Canada Border Services Agency and, if this is upheld, it could see duties tacked on shipments of US corn by the end of this year, by the end of 2005. There are obviously mixed views within the agricultural community. Down my way, the IGPC, the Integrated Grain Processors Co-operative, the ethanol plant, has expressed concern, the Canadian Renewable Fuels Association has expressed concern, and I understand eastern Ontario has a concern coming from the Casco operation. The corn producers seem to be going forward on this. I guess the question is, do you support the actions of the Ontario Corn Producers' Association, the OCPA?

Hon. Mrs. Dombrowsky: I'm very happy to offer some comments on this issue. If I may, I think that because it is so significant, it is important that I frame my remarks so that I provide some context for the members of the committee to appreciate truly what a significant and international issue it is.

First of all, the reality in Canada is that the price that corn producers receive for their product is really set in a market outside of our country. It's set at the Chicago Board of Trade. That is the benchmark that is used for the payment for corn in the province of Ontario. Corn producers in Ontario and other provinces in Canada have I think been very effective in presenting their case, where the price that is received or reached at the Chicago Board of Trade does not cover their cost of production.

One would say, "Well, how is it that farmers in the United States can sell corn and make money at that price and Ontario farmers cannot, considering we can compete on so many levels?" The difference of course is that in the United States, the federal government provides subsidies for corn farmers, and for farmers in other sectors as well, but particularly in the case of corn. What

that does present quite an unlevel playing field and really makes it very challenging for our corn producers to get their cost of production and therefore compete in the same marketplace. There are other countries as well, namely in the European Union, that also heavily subsidize their agricultural industry.

This is a very serious and important matter that has been the topic of much interest and discussion at the World Trade Organization in Geneva. The first focus on this issue came at the conference that was held in Doha, Qatar, where there was a focus on understanding how Third World countries could become more competitive, particularly in the agricultural sector. It was quickly recognized that one of the reasons why Third World countries were unable to break into that marketplace was because of the level of subsidies that the developed nations were providing in their agricultural sectors. As a result of that, there has been a very definite focus to begin to address the subsidy issue internationally. This is something that has been brought to the attention of the Premier. The Premier has made it very clear that we will push the federal government to do all that we can to level that playing field. I will be going as a representative of Ontario to the World Trade Organization talks in December to help the federal government make the case on behalf of our agriculture producers that subsidies in other nations are having a negative impact on the agriculture industry in our province.

Because the subsidies exist and the corn producers believe that the practices are not in keeping with World Trade Organization rules, on September 16 the Canadian corn producers, made up largely of the Ontario, Quebec and Manitoba corn producers, together, collectively, brought this issue to the Anti-dumping and Countervailing Directorate of the Canada Border Services Agency. I think it's important to clarify that while this issue has been brought to the attention of the federal government, the issue that is to be adjudicated is before this quasi-judicial body, which is the Anti-dumping and Countervailing Directorate of the Canada Border Services Agency. This agency will consider the complaint that there has been injury to the corn industry in Canada. I believe they have until November 15, when there will be a decision. If on November 15 injury has been found, then I think it's another 30 days, in and around December 13, that this agency could determine whether or not a tariff on American corn would be applied.

Obviously, the impact of this kind of action has repercussions, certainly for corn producers but for other agriculture sectors in Ontario and across Canada. The Premier has made it very clear that we support grains and oilseeds producers. We have made it very clear that our government is prepared to work with them to begin to address some of the viability issues they've brought to our attention, I believe in good faith. I have been up front with them. As we speak, we are considering their proposal as to how this government might begin to consider a reasonable response to that. I think it is fair to say, however, that we are concerned when such an action

could have a potential negative impact on other agriculture sectors in the province. I know that the Ontario corn producers have heard that from other agriculture sector representatives as well.

I would say that members of this committee, particularly those who have a rural constituency, may hear more about it. I think it has been important that I've been able to provide this context so they have an understanding of the actions that are underway and how our government is working with corn producers and grains and oilseeds producers to try to begin to address their concerns. We are watching this very closely. We continue to hear from other sectors on a daily basis about the potential impact a tariff might have on other agriculture sectors.

I thank the member for bringing the question forward. It has given me a good opportunity to provide that context.

1250

Mr. Barrett: Thank you. It's valuable. Ontario corn producers, of course are following developments very closely with respect to ethanol production. We know the announcement of renewable fuel standards. The Premier made the announcement—I guess that was in September 2003, and this may have come up earlier: "You make ethanol from corn, so we are going to be asking Ontario farmers to grow a lot more corn, so we can put that stuff in our cars and clean up our air." Again, by mandating the 5% ethanol sold in Ontario, it doesn't necessarily ensure that ethanol will be produced here in the province or that it will be produced using Ontario corn.

In introducing the RFS, we know that the province of Ontario is eliminating the 14.7-cents-per-litre road tax exemption on the sale of ethanol. This will save the government \$44 million a year. Without more production in Ontario, refiners and retailers can access ethanol from the United States; even from Brazil. This is not what Premier McGuinty promised.

Minister, how will you keep that promise to ensure, first of all, that ethanol plants are built in Ontario and, second, that these plants and existing plants use Ontario corn?

Hon. Mrs. Dombrowsky: First of all, our commitment is to cleaner gasoline and to protect the environment with cleaner gasoline. To ensure that we do have an investment in ethanol production in the province of Ontario, we have established the \$520-million, 12-year ethanol growth fund. This will support entities—co-operatives and corporations—that would have a plan that would assist this province in meeting its increased demand for ethanol. They can apply to the fund and, when it can be demonstrated that the production of ethanol will meet the increased demand we're going to have in the province, it is probable that they will be successful recipients of dollars from the fund.

With respect to the demand for corn, I have said in my remarks already that the province of Ontario is a net importer of corn. So for all of the other sectors that use corn products, we have a need. We're not yet producing

what we need to meet the need for corn in the province of Ontario.

By increasing the demand, by requiring ethanol in our gasoline, therefore inspiring investment in the production of ethanol, that most likely will require more corn product. We believe that the increase in demand for corn will provide a new market opportunity for Ontario-grown corn and will help improve the price that Ontario corn farmers will get.

I find it interesting: You have suggested that there are other sources of corn. As net importers, we know that. But I would also suggest that, as the cost of fuel and transportation increase, it certainly would be in the better interests of corn users in this province to look for those local markets. We believe that our plan is solid and that it will benefit corn farmers in Ontario.

The Acting Chair: There's just a little over five minutes left, Mr. Barrett.

Mr. Barrett: Further to corn and soybeans, we had our local meeting in Haldimand county on the call for a CAIS companion program driven by the Farmers Feed Cities initiative. The average cash-crop guy is experiencing declining production margins. It has been the feeling—and this goes back to since CAIS was signed, actually—that it doesn't work for cash crop. US subsidies drive down the prices; I think we all understand that.

It almost seems like the ball is in the farmers' court to come up with the program and then to turn around and justify it and answer all the questions. This has come up in several meetings. To what extent are ministry staff assisting the farmers in trying to work around this and develop this? Corn producers have some really good numbers people there, but are we crunching the numbers as well, as a government ministry, and then assisting them to try to work through and to come up with a viable risk management program that's going to get them through some of these crop years?

Hon. Mrs. Dombrowsky: First of all, Mr. Chair, I'm going to just make some comments, and then I've asked the deputy to share some information around how we are working to support producers, particularly grains and oilseeds folks. The grains and oilseeds folks have brought a proposal to this minister. I gave them my commitment that I would review that very carefully. I am in the process of doing that. We will get back to them on that. There will be staff members who will want to verify some numbers or get clarification on numbers. But with regard to the point you've made, Mr. Barrett, around what assistance or resources have been provided—and I acknowledge that CAIS has not worked well for grains and oilseeds—I have asked the deputy to respond to what we have provided to date.

Mr. Archibald: In addition to the CAIS and production insurance programs that are national programs across the country, there is a self-directed risk management program for horticultural crops to deal with those commodities, of which there are a number, where there isn't an opportunity for production insurance because the acreage isn't large enough. It's an opportunity for the grower, in

participation with the government, to access funding to cover off losses due to inclement weather and those types of issues.

In the area of grains and oilseeds in particular, the market revenue program did, in this year, make a couple of sizable payouts. Usually, the payouts don't occur until after the crop has been marketed, but for this year, payments for market revenue were advanced in February—\$94 million; then, in addition, a supplementary payment for grain and oilseed producers of \$79 million. In addition to those, there have been general top-up payments as part of the wedge funding from the federal government as we've moved into the full implementation of the agriculture policy framework through the CAIS program, which added an additional \$44 million last year.

So there have been a number of additions and supplements to the base programs that have assisted growers. As the minister has indicated, we certainly continue to work with the industry to find ways to make further improvements to the CAIS program and to evaluate proposals that they've brought forward.

Mr. Barrett: Thank you. I also appreciate the mention of SDRM, in place—I'm not sure for how long. Is it one more year? I'm not sure. And, gosh, there are about 125 hort crops alone and, very clearly, from the past, one size does not fit all. As with the present situation with cash crops, CAIS is not working for them. They need a replacement for SDRM. Just looking at the history, say, in the past year, there was some stuff in the Ontario Farmer. The issue has been raised from the hort sector—vegetables—that not all agriculture is being treated fairly. I think this is reflected in part, in my view, in some of the failure of the CAIS model.

Again, what progress are we making? Are we working with the hort sector to assist them to develop a replacement program for the SDRM?

Hon. Mrs. Dombrowsky: I'm happy to report that just a couple of weeks ago I had the opportunity to meet with the Ontario Fruit and Vegetable Growers' Association. I had informally met with members of that association and had the benefit of a very broad-level understanding of what their issues are. Having met with them a couple of weeks ago, they have provided a more fulsome explanation around how the CAIS program and production insurance, that pillar of the APF, is not serving their needs particularly well. At the end of that meeting, the commitment I made to that group was that I was very prepared to consider their issues. They have presented a notion, as you indicated—it's not an SDRM; it's an SDPI, a self-directed protection insurance—that they would ask this ministry to consider.

I think, though, that rather than having a full range of programs, one for each sector, what we need is a long-term, long-range plan or solution, one that can address some rather immediate, short-term needs, but one that is also going to meet the needs of this industry for years to come.

1300

Mr. Hampton: Minister, I want to ask you some more questions about the McGuinty government's ethanol program. As I asked you before, you know that the corn producers have asked the government for an incentive package—not an incentive package for farmers, but an incentive package that would go to ethanol producers. You are providing an incentive package to ethanol producers. You're providing them with some money for their capital costs and their operating costs. Corn producers are saying that the incentive package should go to ethanol producers for new ethanol production based upon their purchasing Ontario corn.

I just want to understand your position. Your view is that it's OK to provide incentives to a company to build an ethanol plant that may produce ethanol, it's OK to provide operating subsidies to a company that has built and is operating an ethanol plant, but as soon as the incentive package to build and operate this ethanol plant involves having them agree to use Ontario-grown corn, that becomes a trade issue.

Hon. Mrs. Dombrowsky: If I may, again, I would like to make it very clear that the ethanol growth fund is available to any entity, co-operative or corporation that would assist this province in meeting our increased demand for ethanol. In fact, I'm very proud to say that our government, when considering the plan, wanted to ensure that it would be particularly available to co-operatives to apply for. I want to stress that the opportunity to access and apply for ethanol growth funds is open to co-operatives as well as corporations.

Mr. Hampton indicated in his earlier remarks that three proposals came from corn producers. I have shared with him that in exercising due diligence, the government had those formulas, those presentations, vetted by trade law legal experts. The advice we received, which was outside of this government—I'm sorry; I'd like to maybe confirm that—is that the proposals that have come from the corn producers, if they were implemented, could in fact put this government at risk of being considered as a policy that is not trade-friendly. We believe it is not good for our industry to implement policies that could ultimately wind us up in court. We have established a fund that will increase the demand for corn and that will increase the production of ethanol, which is good for our environment in Ontario.

Mr. Hampton: Again, I'm just trying to get you to answer the question. Based upon the legal advice you've received, you believe it is OK to provide capital incentives to a company to build an ethanol plant, you believe it is OK under trade agreements to provide operating subsidies to a company that has built a plant and now wants to operate it, but as soon as you include a clause that that company has to use Ontario corn or 75% Ontario-grown corn or 50% Ontario-grown corn, the McGuinty government believes that would result in the violation of trade agreements.

Hon. Mrs. Dombrowsky: I'm saying again, as I answer the member's question, that the three options that

were presented by the corn producers were vetted by legal experts on trade matters and it has been the advice of those experts that to pursue any of those options would place us in trade violations.

Mr. Hampton: All right, if you don't want to provide an incentive that says to the builder or operator of an ethanol plant, "If you want to access this incentive package, you have to commit to 50% Ontario-grown corn or 75% Ontario-grown corn," if you believe that would result in a trade violation, then why not do what Manitoba has done and put it right in the licence? If you want to have a licence to operate an ethanol plant in Ontario, a term and condition of the licence would be that you take a certain percentage of the corn that will be used to produce ethanol from Ontario farmers—Ontario-grown corn. Why not do as Manitoba is doing?

Hon. Mrs. Dombrowsky: Again, I would say to the honourable member that we have had the proposals that came to us from the corn producers vetted through legal experts who specialize in trade issues and the advice we have received was that the options that were presented could potentially place this province in violation of trade agreements.

Mr. Hampton: I'm not asking you about the three proposals put forward by the corn producers now; I'm asking you why not do as Manitoba has done, under the Biofuels and Gasoline Tax Amendment Act of 2003, which is now the law in Manitoba. I could draw your attention to sections 4(1) and 4(2). Section 4(1) says that a licence is required to manufacture ethanol. Section 4(2) says that the minister may issue a licence and enter into agreements etc., and the minister may set out terms and conditions that apply to the licence. If you don't want to go the incentive route, as outlined by the Ontario corn producers, then why not do as Manitoba has done and make it a term of the licence? If you want a licence to operate an ethanol production plant in Ontario, a term and condition of the licence will be that 50% or 75% of your corn will be Ontario-grown. I'm not asking you about what the corn producers offered up in terms of an incentive proposal. You've answered that question now, finally. I'm asking you about this: Why not do as Manitoba has done?

Hon. Mrs. Dombrowsky: Again, I'm very happy to share with the honourable member that the advice that has come to the government is that a proposal that would prefer a market—that is certainly consistent with the proposals we received from corn producers—could potentially put this government at risk of being in trade violation.

1310

Mr. Hampton: I want to be clear: You're concerned that if you were to do what Manitoba has done, make it a term and condition of the licence, that would be a trade violation?

Hon. Mrs. Dombrowsky: It is a concern of the government that if the government were to act in a way that would prefer a market, it could place us in a position of being in violation of trade laws.

Mr. Hampton: Could you table that legal opinion? You've referred to it now for most of the morning. Could you table that legal opinion or those legal opinions?

Hon. Mrs. Dombrowsky: Mr. Chair, I would certainly be prepared to see what we could do to accommodate that request.

The Acting Chair: I'm sure the research staff would also take a note of that.

Mr. Hampton: I was in touch with the folks in Manitoba, and they too have talked with some trade lawyers. In fact, I'm told they also talked with trade lawyers in Washington, who said to them that as a term and condition of the licensing, it would not be a trade violation. They were also told that what Ontario is doing, offering up very big capital subsidies to induce companies to build an ethanol processing plant in Ontario and offering up potentially large operating subsidies for companies operating an ethanol plant in Ontario, might in fact be a trade violation.

I think this really gets to the nub of the issue. This is why it's important that you table the legal opinions that you've received. It seems to me—as corn farmers go broke, as we actually see a reduction in the hectares of land devoted to corn production in the province—if this is the nub of the McGuinty government's position, I think corn producers need to know about it and the public of Ontario needs to know about it. So I am making the request that this be tabled, since it's been referred to here most of the morning and now most of the afternoon.

The Acting Chair: I understand, and duly noted, Mr. Hampton. I'm sure that between the ministry and the researchers, they'll endeavour to get back to you on that.

Mr. Hampton: I want to get into another issue here. It's your position that merely by offering a capital subsidy to build these ethanol processing plants and an operating subsidy to operate them, that will result in more corn consumption, or more corn being used, and that as a result of more corn being used, more Ontario-grown corn will be used. Is that the McGuinty government's position?

Hon. Mrs. Dombrowsky: Our position is that—the honourable member may recall from my previous answers that we are net importers of corn—as we continue to increase the demand for corn products in the province, that is going to have a positive effect on corn prices in Ontario. I also had the opportunity, when responding to Mr. Barrett—he did identify that there were other corn markets. But as the cost of fuel increases, we see that there may be even more opportunities for locally grown products to be more attractive in the marketplace.

Mr. Hampton: I want to ask you, do you know what the cash price of corn is per bushel right now in Ontario? Do any of your officials know what the cash price is?

Hon. Mrs. Dombrowsky: I regularly get cash prices for corn, sometimes it's for bushels; sometimes it's per hundredweight, so I'm going to ask my officials. They keep up to date on this on a daily basis. Jim Wheeler is the assistant deputy minister.

Mr. Jim Wheeler: Jim Wheeler, assistant deputy minister, policy and programs with OMAFRA.

It fluctuates up and down, and I don't have today's price. You've maybe got that one in front of you. It'll be in the \$2.40 to \$2.60 range. That's the Canadian price, based on the Chicago Board of Trade, which has been hovering just over \$2.00.

Mr. Hampton: So \$2.40 to \$2.60.

Mr. Wheeler: That's the range in which it's been fluctuating recently.

Mr. Hampton: Does that take in the cost of drying? In other words, we're talking about—

Mr. Wheeler: This would be the cost prior. If you were going to net out, that's the cost you would receive after the corn is dried. So it's the volume of dried corn times that price, but you would have to pay, as a farmer, for the drying of that corn if it needed drying.

Mr. Hampton: Do you know what the cost of drying would be?

Mr. Wheeler: It varies substantially depending on the corn, the moisture level of the corn, the year, and the price of fuel for drying, which is high this year.

Mr. Hampton: Natural gas?

Mr. Wheeler: In most cases, or propane.

Mr. Hampton: If anything, the cost of drying has increased.

Mr. Wheeler: Correct.

Mr. Hampton: The \$2.40 and \$2.60: That's not far off what it was this spring. I believe this spring it was \$2.30 to \$2.42 per bushel. This spring, though, the cost for farmers to produce corn in Ontario was between \$3.85 a bushel and \$4.06 a bushel. Maybe the minister could tell me, even if you increase the demand for corn by building these ethanol plants, without some kind of incentive, or without a requirement that these companies buy Ontario corn, why would an Ontario corn producer grow more corn when they're getting, say, \$2.40 a bushel and they compute their cost of production at between \$3.85 and \$4.00 per bushel? Why would corn producers in Ontario grow more corn if they're going to lose about \$1.60 per bushel on the production costs, not taking into account the drying costs, which you agree have gone up? I think the drying costs this spring were anywhere from 15 cents a bushel to up to 50 cents a bushel. It has probably gone up now to 70 cents to 75 cents a bushel, max. Given what the McGuinty government has set out, why would an Ontario corn producer produce more corn, when they would lose about two bucks a bushel?

Hon. Mrs. Dombrowsky: Those are exactly the issues the grains and oilseeds folks have brought to this government: that they are not receiving the cost of production; that the business risk management program that is in place at the present time is not yet meeting their demands. We know that. I've indicated that farmers in the province are subject to climates, and this is the economic climate that corn producers have to deal with. That is why the Premier of Ontario has made it very clear that we need to do all we can to level the playing field for all producers.

Particularly at the World Trade Organization talks it's very important that we advocate on behalf of our sectors that are negatively impacted by subsidies in other jurisdictions. I think it's fair to say that finally we are at a point in history where the other jurisdictions that provide the most generous subsidies—the United States and the European Union—have indicated a willingness to talk seriously about how to begin to address the subsidy issues.

I believe that the points that Mr. Hampton has raised reflect the comments and issues that have been brought to the attention of this government by grains and oilseeds producers, particularly by corn producers, and I believe that, going forward, we are looking to advocate responsibly.

I might add that, for the first time, a government in Ontario has made it very clear that we are going to push the federal government and work with the federal government to begin to address the inequity, the unlevel playing field that our agriculture producers face. Many of the issues they have to deal with are a result of international policies. They're not a direct result of provincial regulations or provincial policies but they are impacted because of policies that exist beyond our borders. I would say to the honourable member that I believe we are being very careful, as we move forward, to work with the producers, to address their very valid cash flow and viability concerns in a responsible way.

1320

The Acting Chair: Thank you, Minister, and thank you, Mr. Hampton.

Mrs. Mitchell: One of the things I would like to bring forward today from my riding is how much the agricultural community appreciated the Premier's summit, and appreciated the ministers as well as the Premier taking the time to attend the summit. It was very important to the agricultural community that they were given the opportunity to bring their concerns forward. Many of those concerns are being looked at and some have been acted on. Minister, could you expand on the recommendations that did come from the Premier's summit that have been acted on?

Hon. Mrs. Dombrowsky: I think the first recommendation is that we're going to have another one. I think that first Premier's summit was very well received by the representatives of the agricultural communities in Ontario. They appreciated that the Premier sat down and listened to their issues first-hand. I know there was an opportunity for folks who were not presidents of associations, but average producers, farmers and processors in the province, to actually sit down and have a conversation with the Premier and talk about the challenges in their field and the role that they thought government could and should have in terms of protecting the industry, advancing the industry and supporting the industry.

I've already indicated today that I think a very key recommendation that came from that group relates to research and innovation. The folks who were at that forum felt very strongly that the research stations that had

previously been the responsibility of the Ontario Realty Corp. should have more of a focus, and that they would have more of a focus on agricultural research if they were part of the Agricultural Research Institute of Ontario. So I'm very happy to say that this summer we were able to effect that transfer. That has been very well received in the agricultural community. We are confident that it will leverage additional dollars both with the federal government and with industry partners. We think this is very good news, going forward, for the future of the industry in the province.

I think it's key to note that agricultural representatives and people from the community who attended last year felt that it was very important that there would continue to be this opportunity, on an ongoing basis, for them to access the Premier directly to give him an update on their issues, where there have been advancements and improvements and where there needs to be more attention and focus. I have a very positive feeling. I'm getting great feedback, and we're very excited about our plans for the summit this year in January.

The Acting Chair: Mr. Levac.

Mr. Levac: I appreciate the opportunity, Minister. First, congratulations on your appointment. I know you've hit the ground running and that you'll take this job with what you've done before, in your previous ministry, and continue to do us proud.

I want to get into the good-news part first, so I will smile. I want to thank you and your ministry staff for working extremely hard with Ferrero. In the riding of Brant, in the city of Brantford, a new company has come to life: chocolate maker Ferrero. They need agribusiness co-operation, and you're giving it to us. I would like to enlighten those listening that we're talking about brand new crops and the support of crops that are presently in existence. They've brought scientists and researchers from Italy and met with your staff to talk about the hazelnut industry in the riding. They would supply in a year, basically, in a nutshell, 67 million pounds of hazelnuts that they would need for their agribusiness, and cherries and other products that they were going to develop, where you need agribusiness and crops from farmers in our area. A great good news story. When all four phases are completed, we could be talking about something like 2,000 jobs in our riding.

I wanted to tell that good news, but with the caveat to see if there's anything you would like to add to how OMAF staff and your ministry are working with companies like this. Because, in our riding, in our area, shared with MPP Barrett, there is a need for continued growth of agribusiness. We have poultry businesses, Maple Leaf, Strub's, and Chiparama, which use hundreds of acres of potatoes. So, Minister, just a quick response on the agribusiness side of your portfolio and the good-news stories that are coming out of some of the ridings in our province.

Hon. Mrs. Dombrowsky: I'm very pleased to receive a question that enables staff, who work very hard at the Ministry of Agriculture, Food and Rural Affairs to

support this great industry in the province, to talk about some of the initiatives that they have underway at the present time. So, Deputy, if you might identify who we have with us today who can deliver that information the best.

Mr. Archibald: Thank you, Minister. I've got Dan Taylor, who is the ADM responsible for innovation and competitiveness and oversees the work that gets done in terms of investment attraction.

Mr. Taylor: I'd be pleased to respond to the question. Our staff had been working very closely with Ferrero before Ferrero even decided where they wanted to put their North American plant. They were certainly looking at a number of different locations where the plant could have been. To be quite honest, they weren't looking at Canada when we initially had discussions with them.

So what we have are some investment officers who work with the company and try to point out the opportunities they would have in terms of being located in Ontario and then, based upon the company's preferences and requirements, try to find the right community for the company to locate in. In this case, they married it up eventually with the Brantford community and worked closely with the Brantford economic development people and so on to try and locate in that community.

Once Ferrero made their decision, they've also identified an interest in potentially sourcing more of their materials from Ontario. In particular, they have a large demand for hazelnuts and hazelnut products. So we've been having other aspects of our ministry work with them on the research side as well as on the crop technology side to try to look at what our opportunities in terms of producing hazelnuts are, what types of soil, what types of production practices and so on. As you can appreciate, there is a small amount grown in Ontario, but there's quite a bit of work to be done to look at the industrial scale that Ferrero would be requiring in their operation.

In fact, we have one of our staff who has actually teamed up with the Brantford community economic development people. They are visiting this week, I think, Ferrero's head office in Italy to try and make sure we understand a little bit more of what their requirements are, look at what their requirements are in other markets, and try to do what we can to match those up.

Once we've got some of that worked out, we will also be trying to have them make the contacts with the area producers that could potentially be producing for them, but that's down the road from here.

Mr. Levac: That's another reason why I see the glass as three-quarters full instead of half empty. When we talk about what our potentials are, we can talk about what has gone on in the past and where we go from here.

That brings me to my next question, which would be to try to put some positive understanding of what it is we're trying to do with ethanol. It's quite clear that in my riding, as another example, there is a co-op that is putting together a proposal and looking for assistance in creating an ethanol plant in the riding. Either the city of Brantford

or Brant county would be willing to be a home to the ethanol plant.

1330

No matter how many times you get asked, the same answer keeps coming back from you, which is quite clear: number one, that there is opportunity for those people who want to have an ethanol plant to have support by the government of Ontario and, number two, that the purpose of our ethanol strategy is to do two things: to encourage the agribusiness side but, more importantly, to address our air quality. That was one of the first and foremost things we talked about, and you, as the previous Minister of the Environment, made it quite clear that it has been quite scientifically shown that the ethanol content is going to have an affect in a positive manner. So proverbially, like I say, three quarters of the glass is full because we're doing good things for many people on that front.

On the third component, which is the corn side, there are other avenues that the producers would be taking to take advantage of the assistance they need in order to help them with their crop. I think that's what I'm hearing as the answer. Maybe you can state that again to make sure people understand that this is a positive opportunity for the people of Ontario, particularly our corn producers and those people who want to encourage the use of ethanol in gas.

Hon. Mrs. Dombrowsky: I'm always very pleased to remind the people of Ontario that our government is committed to cleaner gasoline because we need to improve air quality, we need to reduce greenhouse gas emissions, and by including or increasing the level of ethanol in gasoline that's put in our automobiles, we will achieve that. We have an opportunity in the province of Ontario, when we increase demand for a product, to look for opportunities to ensure that the production of the product happens within our borders. That is why our government has established the ethanol growth fund.

The growth fund is, in my opinion, an opportunity for co-operatives, as in the case with the one co-operative in your community, Mr. Levac. I understand Seaway is a co-operative; there was some question earlier today. Of the five entities that have been reported to be interested in participating in the growth fund, fully 40% of them are co-operatives that are supported by farmers in Ontario. So I would offer that the growth fund is in fact supporting farmers.

Finally, on the point you made around the issue of increasing demand, we believe that as the demand for corn continues to increase—and as I have said on more than one occasion today, we are net importers of corn, so as a province we are not yet meeting our own domestic needs. As our government works to address a level playing field—and make no mistake, that isn't going to happen overnight—it will mean that the government has to require both long-term and short-term solutions or considerations for the industry.

I believe that going forward—and again, this is consistent with the opening remarks that I shared with the

members of this committee—we are planning for the long term. We are planning for our children and our children's children. We believe we have a responsibility to leave this place a better, safer cleaner place than the one we inherited, if it all possible, and we believe that the policies that we are implementing will take us there. We also believe that our descendants will thank us for that vision.

Mr. Levac: Thank you, Minister. There's no doubt in my mind that that's exactly what we're attempting to do and making it quite clear why we're doing what we're doing.

I do have another generic question, but I think it's germane to the discussion that has happened today and that is, maybe for the benefit of those who may not be aware, I just spoke to the deputy minister responsible for the business side of the agribusiness. I would make a point and then ask a question.

The point I make is that in my area I'm very proud of the innovations that the farmers have come up with and the aggressiveness with which they have tackled creating opportunities out of the agribusiness sector. They, at one time, felt they were kind of the voice in the wilderness for trying to get value-added for their crops and the variations on the theme of trying to create businesses using the agricultural field.

I think one of the best-kept secrets is that your ministry is involved in the creation of jobs, that your ministry is involved in the creation of opportunities for businesses to spring directly out of agriculture, not just the science and research part of it, but the actual creation of jobs not only in the farm area, in the rural area, but also jobs in the urban areas. Can you review for me the sector of your ministry that is responsible for that and what they're doing to aggressively assist us in the creation of jobs using the agribusiness model?

I would just echo what the deputy minister has indicated about the Italian trip that's coming up, that's being taken by the Brantford people, accompanied by your ministry officials, to entice subsidiaries of or complementary businesses to Ferrero to look at North America and indeed our province as the centre where they might establish their new market.

I think that's an important point to make about agriculture in general. I really would like a review so that people understand that we create jobs out of the agribusiness sector.

The Acting Chair: I'd just remind you, Minister, we have just under five minutes left.

Hon. Mrs. Dombrowsky: Again, I'm delighted to respond. I have asked a ministry official to provide a more detailed answer in terms of what exactly the Ministry of Agriculture and Food is doing on the front line. I think they are the best people to deliver this message.

Before I hand the microphone over, I do want to say that I am becoming more and more aware of, as the honourable member has identified, the far-reaching ripple effect of the agri-food industry. We are an international player. A week ago I had an opportunity to attend a

function at a facility near the airport where buyers from around the world came to view food products that are produced right here in Ontario. I'm happy to say our ministry does play a role in helping to organize that. The participants are very appreciative of the support and the exposure they receive and the positive results that come from that kind of activity.

Deputy, perhaps you can direct this to a member of staff.

Mr. Archibald: I'll ask Don Taylor again to provide some further detail.

Mr. Taylor: I'd be pleased to respond. I guess our philosophy is that when we have an active, efficient, productive food sector, that's not only important unto itself and for the jobs that it creates, it's important to the agriculture sector, because the most obvious place for inputs from a domestic food processing sector is the domestic agricultural production sector. To that end, we have a small group of staff who work very closely with companies in Ontario to try and attract increased investment, as well as to retain investment. I think many of you would be aware of the fact that companies, particularly companies that have multinational parents, are always reviewing the performance of their plants around the world and, really, it becomes a competition between plants of the same company as to who will produce their product worldwide. So we work with the companies to try and ensure that their investment is, hopefully, enhanced, but at least retained in the province. The Ferrero example is a good example, but there are other examples where we've worked with companies outside of the country that don't yet have a presence in Ontario to try and attract them to Ontario, to make their investment here, to employ people here and so on.

The other aspect beyond the investment attraction that is also very important here, and I think the minister referred to this, was the market development activities. Probably the one you are most familiar with would be the Foodland activities. That's a development of our own domestic markets for products of Ontario, in this case fresh fruits and vegetables. We also have a small group that works closely with our federal colleagues to try and increase our export opportunities. We do this in a number of ways, one in terms of trying to keep some presence through trips to foreign markets. But probably the most important activity we do is working with our own companies to try to get them ready for export. The event the minister referred to is something that we call Street Smarts, basically an exhibition where our own companies can exhibit their good products. We work closely with foreign buyers, particularly US buyers in this case, to ensure that they're there and can see the products that Ontario has to offer; we're working closely with US grocery chains and that type of thing. We try to do it from an investment attraction standpoint, but also in terms of trying to increase the market opportunities.

1340

The Acting Chair: Mr. Barrett.

Mr. Barrett: Many of us on this committee attended the cattlemen's barbecue last June out front at Queen's Park, and on that day it was reported that since May 2003, cattlemen in Ontario had lost over \$500 million because of the border closure. At the plowing match, John Tory and I discussed issues with cattlemen in a meeting held there, and they raised the issue of a program they're working on, an equity loss replacement program. Cattle feedlots need help. By extension, that would help the cow-calf people. They understand that under APF they were promised production insurance. Things don't seem to be moving adequately on that front. So they have a proposal. They have initiated the development of an equity loss replacement program with the goal to justify an ad hoc payment outside of CAIS. We're talking about money for beef. We know that part of that was previously addressed with the pricing formula for fluid milk, and the ministry would be aware of this. Is OMAF working on this with the cattlemen? Are the numbers being crunched? What kind of progress is happening with this particular proposal?

Hon. Mrs. Dombrowsky: I am happy to have an opportunity to respond. It gives me an opportunity to talk about the history of our government in terms of considering the needs of the cattle industry, the beef industry in the province. I am again afforded the opportunity to say that the government of Ontario provided \$138.5 million to the beef industry—to the ruminant stock sector, I think it's better to say—during that time of crisis. Another example: We were the first province in Canada to look for and invest in ways to increase slaughter capacity, and I'm very happy to say that as a result of that investment we saw an additional 6,700 animals slaughtered right here in Ontario that otherwise would not have been, had we not provided that support. That's going to increase the slaughter capacity by 30% by the end of next year.

It has been because of the input we have received from the beef and ruminant industry that we understood the kind of support that was needed and how it was best to get those dollars into the hands of the producers.

Having said that, while we're all very happy that the border has opened to an extent—we all know it's not fully opened, so there continue to be some challenges in the industry. We know that international markets are demanding a demonstration of safety in the product they purchase, so we will have to continue to work with the beef industry to assist them, to demonstrate that to their international markets.

We also anticipate that federal regulations this fall will limit the options for disposing of the special-risk material—that's the material that has really created the BSE crisis—so the federal government has indicated that they're making \$80 million available nationally. I'm very pleased to commit to the cattle industry that our province is going to be doing all we can to get our share of those federal dollars to help our beef producers deal with whatever regulations come around specific risk materials.

Mr. Barrett, you specifically referenced an equity fund component of support for the beef industry. I have had the opportunity to sit down with them and hear first-hand where their issues and concerns are around the business risk management program and the range of ways that they believe this government can better support their industry. I think it's fair to say that as we hear from a range of sectors about how the business risk management plan in place can be deficient or maybe did not contemplate some of the extraordinary needs being experienced in the industry, this ministry does intend to look very carefully at what they propose.

Just from the conversations you've heard at this table, you can appreciate that a range of groups are coming and looking for or asking for special consideration. We certainly are listening to what they say, the reasons why they need that support, but it's fair to say, too, that before I would respond to one or another, we would do well to take a step back and look at all of the demands: Is there a common thread? Is there something in common that might be implemented that would address some of the needs they identify? Is there a way to modify, amend, improve the business risk management program that's already in place to address those concerns? So there's a wide range of issues being considered in this, and the beef producers have heard from me that this is something we are certainly considering.

Mr. Barrett: Thank you, Minister. Of course, the OFA was at the table at the John Tory meeting. One of the primary issues raised during this meeting by the OFA was the plethora of rules and regulations and red tape, and the feeling that regulation must respond to real need, not a perceived need, and that it must be effective and must be reviewed. For a number of years, the province of Ontario had the Red Tape Commission. What approaches would you take? Would you bring back a red tape commission? What efforts can your ministry make to assist farmers and agribusiness in cutting red tape? It's something I hear a great deal about. It kind of takes the fun out of it when you've got to fill out all these forms and hire people to do a lot of the paperwork for you.

Hon. Mrs. Dombrowsky: If I may just ask for clarification, when you refer to red tape, are you referring to the application for business risk management programs or just regulations in general?

Mr. Barrett: One example—and this was highlighted in the Wayne Easter report—is with respect to pesticide use and the hoops we have to go through in the horticulture sector. A number of years ago, the government of Ontario bought into harmonized pesticide use right across Canada, and it's harmonized. There's a call in the Wayne Easter report to harmonize with the United States, essentially to streamline and get rid of a lot of what seems to be, in many people's eyes, environmental overkill. Much of this is federal, but Ontario produces a great deal of horticultural crops, for example. With veterinary medicine, the same would apply.

Hon. Mrs. Dombrowsky: Yes, but as you have already indicated, Mr. Barrett, the regulation of pesticides

is a federal responsibility. Of course, the province has a responsibility to regulate the sale and provide courses on application and so on, but in terms of what pesticides are used and where and how, all of that is regulated federally. Having said that, any attempt, in my opinion, to harmonize regulations among levels of government or even internationally is a good move. Having said that, and I'm sure you would agree, any effort to harmonize must certainly always look to not diminish the level of protection that we have for the people of our province. I have never, ever received the sense that in the agriculture community there was a desire to move in that direction either.

1350

I do appreciate and have heard concerns around the great deal of paperwork that is required. I asked you specifically if it was particularly in reference to the CAIS program. That is something that I've heard about very regularly, those producers who would want to participate in that part of the agriculture policy framework, but that for some it means they have to go out and hire an accountant. It's not a process that they can engage in themselves. I want to say to the members of this committee that that is a message that has been echoed across Canada, and it is for that reason that the ministers of agriculture from across Canada are going to meet again in November. Normally, we meet once a year, but because this is such a significant issue right across the country, we believe that it deserves a redoubled effort on our part to look for ways to make this a more user-friendly process, and we're doing that.

Mr. Barrett: There's no question that the corn producers' proposal would be kind of on a six-month response rate. In many of our constituency offices, we do get cases that go back a year and a half or two years.

With respect to the pesticide licensing, the National Farmers Union was at the table. They are very concerned that the Wayne Easter report not be shelved and are looking for Ontario's views on that. For example, just to be more specific, Easter recommends "harmonization of licensing and registration with the US on pesticides," and "that the federal government move toward harmonization with the US on veterinary drug licensing." I feel a lot of work needs to be done with respect to PMRA, the Pest Management Regulatory Agency.

My question is—and it goes beyond the red tape question—what role should Ontario be playing? I feel Ontario should be playing a more aggressive role to wrap up an issue that I've certainly been hearing complaints about for the 10 years that I've been an MPP. It's a competitiveness issue. We have to use pesticides, insecticides, fungicides, herbicides. Many can be considered out of date. Many can be doing damage to the environment when you have to up the dose. We're importing product with who knows what in it.

Hon. Mrs. Dombrowsky: I guess it's the very last comment you made that strikes me, because you're saying that there maybe should be a move to harmonize standards with the United States. Then you concluded by

saying we're importing products, and who knows what's in it.

Mr. Barrett: By harmonization—if we could work together, harmonize the process. We import product from other provinces, but it's one system now.

Hon. Mrs. Dombrowsky: Yes. In terms of harmonization, as I've indicated before, that is a federal jurisdiction. I do want to say that when I speak with producers in Ontario, they recognize that one of the selling features, what enables us to claim that we offer the safest and best-quality product, is the safety regulations that we have implemented both as a province and as a nation. I would expect with that any move to in any way diminish that claim, there would be a reaction within the agriculture community.

Having said that, I think you have raised some valid issues on harmonization at the federal level. I can indicate to you today that the next time I speak with my provincial colleagues, I will certainly pursue that to see if it is something they're hearing a great deal about.

I don't know how much time we have left.

The Acting Chair: About six minutes.

Hon. Mrs. Dombrowsky: There is a member of ministry staff whom I would ask to respond as well on this matter on harmonization.

Mr. Barrett: Maybe I'll just jump down to a few other questions. I think we're going to be having another round anyway. There's only six minutes left.

The Christian Farmers were present at our John Tory meeting. They raised the issue, the survival word. They have a concern that in the future we see a continued trend that only the strongest survive. They raised the issue: What is going to be the average size of the family farm? Is it 200 acres, is it 500 acres, is it 2,000 acres? They have concerns around the cap on the CAIS program. One thing that comes up—we hear figures that if there are 40,000 farms right now, government policy in Ontario would take us to 10,000 farms. I don't know where this comes from, but there is concern about the little guy getting pushed out. We know the big guys are getting pushed out as well. Could you clarify that? This is being bandied about, that there's almost a government policy or a goal to see the continued reduction in the number of farms. You hear this 10,000 farms figure in the future. Survival of the fittest, is that where we're heading in the province of Ontario?

Hon. Mrs. Dombrowsky: Mr. Chair, I think it's also important to remind the folks at this table that the Premier of the province met with agriculture leaders at the plowing match. The very same groups that have been identified by Mr. Barrett were present at the table with the Premier. I have to say, to the best of my recollection during that conversation—Christian Farmers were there; I don't recall the presentation. I know there was no reference made to the Premier that there was a prediction there would be only 10,000 farms in the province of Ontario.

Mr. Barrett: I wasn't referring to your meeting. No, I was referring to my meeting and just something that gets bandied about.

Hon. Mrs. Dombrowsky: Well, there are a range of scenarios out there, but to suggest that it is in any way connected to a policy of any government I think is quite inappropriate. I believe our government has demonstrated very clearly, number one, that we are prepared to work with our agriculture partners to ensure that the policies, legislation and regulation that are implemented by our government are something that we've consulted on and that the agriculture industry is going to be able to sustain.

What we did, very clearly, at that meeting, was that for farms in Ontario—farms of every size; family farms; larger farms; and farms in every sector, whether they would be fruit and vegetable farms, vineyards, cattle producers, hog producers, chicken producers—what they needed was a level playing field. I'm very proud that the Premier in a very clear way said to them that we are prepared to take that on. He is prepared to work as hard and as aggressively as we must as a government to address those issues of a level playing field. I would suggest that the best way to assure the viability of any industry in any country is to ensure that it can be competitive.

1400

The Acting Chair: We're down to the last minute, Mr. Barrett.

Mr. Barrett: Very briefly, we know that rural affairs is now under the Ministry of Agriculture and Food umbrella again. What percentage of the budget would be going to rural affairs? That's a question I've been asked.

Hon. Mrs. Dombrowsky: Thank you very much for that. We are still in the process of returning to the Ministry Agriculture and Food that part of the ministry that went to the Ministry of Municipal Affairs and Housing, so those numbers have not been determined. But I would say to the member that we expect that with the return of the staff and the responsibility, there will also be the return of some financial resources.

The Acting Chair: Mr. Hampton.

Mr. Hampton: I want to continue with questions I was asking earlier.

Minister, you have indicated over and over again that you believe your ethanol policy will result in more acres of land in Ontario planted in corn. Do you know how many acres of land in Ontario are planted in corn this year, in 2005; or do your officials know?

Hon. Mrs. Dombrowsky: I would ask, Deputy, if you could get that information. We would like to get an exact number for you, Mr. Hampton.

Mr. Hampton: Do you know if the number of acres of land planted in corn is increasing, decreasing or staying about the same?

Hon. Mrs. Dombrowsky: We would be happy to get that information for you as well.

Mr. Hampton: Actually, I do have it. I just wanted to know if you had it. This is the May-June publication of the Ontario Corn Producers' Association. It says, "Statis-

tics Canada seems to agree with our estimate that Ontario corn acreage will be down sharply in 2005.... We think the decline in corn acreage in Ontario could be sharper yet, and will stick with our projection that acreage will be about 1.45 million acres," possibly as high as "1.5 million acres when all is said and done."

If you look over the last 20 years, the corn crop in Ontario has shrunk from 2.1 million acres to this year's figure—they think 1.45 million acres.

We've heard the announcement. The first announcement was made in the election campaign of 2003. I think your government has reannounced and reannounced its plan to subsidize the building and operation of ethanol plants. We've heard the Premier say over and over again, and you say over and over again, that this will result in more acres being planted in corn, yet the corn producers are saying that it's going in the opposite direction, that there are fewer acres being planted in corn. Do you agree with the Ontario corn producers' assessment?

Hon. Mrs. Dombrowsky: I cannot dispute the numbers that the Ontario corn producers would present in terms of the number of acres planted. Could I ask, Mr. Chair, if the Ontario corn producers reported yields? While there may a reduction in acres planted, we know that with modern research, technology and innovation, there can be increases in yield on less acreage. So I was just curious if the corn producers did provide that information.

Mr. Hampton: What they did provide is that the five-year average of yields in Ontario is 116 bushels per acre. From what I understand, it's not going up and it's not going down; it's about 116 bushels per acre. You may get less than that on more marginal land.

The interesting figure they do provide us with is that the US government supports, for example, Michigan and Indiana farmers, corn producers in those states, to the tune of \$1.26 per acre. That's the subsidy they get for producing corn. I believe it works out to about \$1.10 per bushel. So if you take the price today—\$2.42 a bushel; I think that's what your officials agreed it was, more or less—and then you add about \$1.10 to that, it means that the US corn producers in Indiana, Michigan etc. are getting above \$3.50 a bushel, just on the rough numbers, whereas an Ontario corn producer would be getting about \$2.42, minus the cost of drying. So it actually would pay a US corn producer to continue to produce corn and ship it into Ontario, to be used to produce ethanol, while an Ontario corn producer, if he merely tried to produce corn according to the formula the McGuinty government has set out for ethanol, would lose money every time he or she produced a bushel of corn. Do you agree with that?

Hon. Mrs. Dombrowsky: I would agree with that.

Mr. Hampton: So I come back to the question: Other provinces are trying to find ways to help their farmers, their corn producers, deal with these huge American subsidies. Other provinces recognize that if they simply build ethanol plants but they don't help their farmers in terms of requiring ethanol producers to purchase corn from their corn producers at a cost in the neighbourhood

of the cost of production, the net result will be no more corn production in Ontario, no more corn production in Canada, simply the importation of more American subsidized corn. Other provinces are taking action. Why isn't the McGuinty government?

Hon. Mrs. Dombrowsky: Mr. Chair, I have to say that Mr. Hampton's presentation really doesn't make sense. First of all, you're making the case that Ontario corn producers cannot make money at \$2.40 a bushel.

Mr. Hampton: That's what they say. They say their costs of production are in the neighbourhood of about four bucks.

Hon. Mrs. Dombrowsky: I have indicated that I agree with that. I have also made it very clear that our government recognizes that this is not a level playing field and that this is in an issue that has to be addressed at the World Trade Organization talks.

What I don't understand, which Mr. Hampton has suggested, is that the incentive, for example, that has been provided in Manitoba that ethanol producers there would in fact be required to use a percentage of domestic corn—

Mr. Hampton: In that case, I think it's domestic grain, not corn. I think it's probably wheat and other products like that.

Hon. Mrs. Dombrowsky: I guess you would have to explain to me how that's going to increase the cost per bushel of corn the farmers in Manitoba are going to receive.

Mr. Hampton: In Manitoba, we're not talking about corn. But as I understand the Manitoba model, those ethanol producers in Manitoba will have to pay a bigger price. In other words, if they can't import their feedstock from somewhere else, then they will have to pay Manitoba farmers at least their cost of production to get Manitoba feedstock. I think Ontario corn producers would be happy just to get their costs of production, because right now, under the McGuinty government's ethanol strategy, they'd be losing \$2 a bushel every time they produced a bushel of corn for an ethanol plant.

Hon. Mrs. Dombrowsky: I think it's important to clarify that the price that corn farmers receive for their product is not set by the McGuinty government. What I will say, though, is that the McGuinty government has established an ethanol growth fund that would enable, for example, co-operatives or collections of local farmers to bid into the fund. That would enable local farmers and it would also enable the ethanol producer, I would suggest, to access local corn. It would perhaps be more cost-effective for them because they would not have to pay the transportation costs for corn from other jurisdictions. We believe that it may even provide a better, healthier climate or market for corn producers in Ontario. All of that notwithstanding, we are committed to the growth fund. We do believe that it provides an opportunity for agriculture co-operatives, farmers and corporations to bid into the fund.

I have made it very clear that our government is the first government in the history of Ontario that has come

out and said that we must level this playing field, that we must deal with the international trade issues that are crippling our producers, and that is what the Premier has said.

1410

Mr. Hampton: What I see is the Manitoba government actually taking some action on the ethanol front to do something about that. They're simply writing into the terms of the licence that a Manitoba plant producing ethanol has to purchase a certain percentage of their feedstock from Manitoba grain farmers. If they can't purchase their feedstock from anywhere else, they're going to have to pay the price that Manitoba farmers are demanding. You refuse to do that in Ontario. It seems to me that rather than blaming the federal government and trade deals, you have an option here to do something. I come back to my original question: If other provinces are taking action to ensure that ethanol production actually benefits their farmers and not just subsidized American farmers, why is the McGuinty government failing to take that kind of positive action?

Hon. Mrs. Dombrowsky: Our government has established the ethanol growth fund, which will support the production of ethanol and, we believe, will improve market opportunities for corn producers in Ontario. I remind members of this committee that in Ontario we are net importers of corn. If I may just speculate on the presentation made by Mr. Hampton, if we were to make such a requirement, it could potentially, I believe, have a negative impact on other sectors that do rely on corn.

I would also say, with respect to policies in Manitoba, for example, which is a net exporter of corn, that they probably would not have the same consideration in terms of the impact on other local corn users like feed producers and corn product producers.

We believe that the ethanol strategy in Ontario will provide a new opportunity and demand for corn producers in Ontario. We believe that that increase in demand will have a positive impact on prices that corn producers could receive.

Mr. Hampton: I hear what you're saying. This is what people who represent the corn producers said on the very day that you and the Premier made your announcement, which I believe was June 17, in terms of the ethanol growth strategy: "Our concern has always been that the renewable fuel standard ... requirement (that ethanol represent 5% of gasoline sales by January 1, 2007) could easily be met merely by increased imports of ethanol. Imports of corn to fulfill the RFS provide no economic benefit to rural Ontario" nor to Ontario corn producers.

"Ensuring that the ethanol produced is made from Ontario corn maximizes the economic benefit to rural Ontario from the Ontario ethanol growth fund announcement today."

The corn producers believe that you can do what Manitoba's done. They've also asked for opinions and advice and they believe that you could do what Manitoba has done. They ask the question, if Manitoba can do this

to ensure that Manitoba farmers are going to benefit from ethanol production, why can't the McGuinty government do the same thing in Ontario?

Hon. Mrs. Dombrowsky: Again I say to the honourable member that with the ethanol growth fund that this government has established, it is available to co-operatives run by farmers, run by producers, as well as corporations, to access government support for plants that will produce ethanol.

I would offer to the honourable member that this fund does provide an opportunity that I believe will very definitely enable co-operatives, for example, that prefer from where they receive their product to in fact do that.

Mr. Hampton: So you're asking farmers to provide their own subsidy?

Hon. Mrs. Dombrowsky: I'm indicating that the fund enables co-operatives to participate in the fund that's offered for the production of ethanol in the province of Ontario.

Mr. Hampton: I repeat again, Minister, corn producers say that under the current regime that exists in Ontario they lose about \$2 a bushel every time they plant corn. That's how much the subsidized American corn price is under their cost of production. So whether they're doing it individually or whether they're doing it as a co-operative or a quasi-co-operative, they do not have the money to overcome that \$2 per bushel they are losing right now. Telling them that you'll provide them with a subsidy to build the plant doesn't help them overcome that unless you're prepared to come forward with an incentive that overcomes the \$2 per bushel. They don't see it. They haven't seen it yet. They don't see it now. That's why they keep raising this issue, and they want an answer.

If Manitoba can do this, if Manitoba can put it right in the terms and conditions of the ethanol plant licence that the ethanol manufacturer or producer must purchase a percentage of their feedstock from Manitoba farmers rather than simply going to subsidized American corn, why won't the McGuinty government do the same thing in Ontario?

The Acting Chair: We have just a little over three minutes left.

Hon. Mrs. Dombrowsky: Again, I would suggest that the member's presentation is full of contradictions. On one hand, he has been very critical of the ethanol growth plan here in Ontario because he would allege that it is subsidizing corporations, yet he is extolling the Manitoba model that—

Mr. Hampton: It clearly subsidizes corporations; you admitted that.

Hon. Mrs. Dombrowsky: —is subsidizing corporations. The difference that I see in the growth fund in Ontario is that our fund is available to any entity and, as has already been indicated today, we know that there are potentially two co-operatives—there may be more—that would apply to the fund to engage in the production of ethanol in the province of Ontario.

The issue that the honourable member refers to with regard to the price of corn, I've already explained, is affected because of international trade subsidies. This is an issue that our government is committed to addressing to level the playing field for corn producers in this province. Because of the subsidy situation, the grains and oilseeds people have come to this government and asked us to review their presentation on how they believe some of the issues that have been identified by both Mr. Hampton and Mr. Barrett might be mitigated. I have indicated that our government is very prepared to look at what they have presented in a very comprehensive way. We certainly appreciate that for the short term there are realities that could have a very negative impact on the industry. We recognize, and I think that the record would demonstrate, our government has been there whenever there is a sector that can demonstrate a need.

I believe that the ethanol growth fund is a way to inspire investment in ethanol production in the province of Ontario. I believe it is a very broad and inclusive fund that would be open to co-operatives particularly, so that in addition to farmers potentially making money on the corn they could sell, they would also, as a co-operative, make money on the production of ethanol. The issues around the price of corn are very valid and our government is prepared to do all that we can to have them addressed in the months ahead.

1420

The Acting Chair: You've got less than a minute, Mr. Hampton.

Mr. Hampton: Here's the issue: We are losing, year over year, acres of corn production. As a result of losing acres of corn production year over year, we're net importers. Given the trend line that we're on and given the McGuinty government's policy, at this rate we'll be importing more corn every year. We're net importers because, under the formula that exists, Ontario farmers can't afford to grow more corn.

So, on the one hand, you continue to promise that the ethanol growth fund is going to be wonderful for corn farmers, yet you've done nothing to put corn farmers in a position where they're not going to lose money every time they produce an acre of corn. Isn't the contradiction of this obvious?

You can subsidize the companies all you want; that's not the problem. The problem is that corn producers lose two bucks a bushel every time they produce a bushel of corn. The McGuinty government is doing nothing to change that.

Hon. Mrs. Dombrowsky: That would not be correct, Mr. Chair.

The Acting Chair: Just one moment, Minister. Thank you, Mr. Hampton. Perhaps you could finish your response, Minister, with the government's time, if your colleagues would let you, because we're over time with Mr. Hampton.

Hon. Mrs. Dombrowsky: Well, you should take it off his time the next round.

The Acting Chair: Mrs. Mitchell, is that OK if the minister finishes her response?

Mrs. Mitchell: Certainly.

Hon. Mrs. Dombrowsky: This government has, I believe, demonstrated very clear support for grains and oilseeds and corn producers: one-time funding of \$79 million last year, plus \$93 million in the MRI wrap-up. As well, this government is the first government that has made a commitment to address the unlevel playing field that our corn producers are dealing with. In addition to that, I've given a commitment to corn producers to work with them and to review the presentation they've made to me. So I believe this government has demonstrated very clearly to the corn producers that we are in their corner and we want to work with them.

Mrs. Mitchell: Minister, one of the things I have a question about today is food safety in Ontario and the outcomes of what would have happened if our consumers in Ontario did not have a firm understanding of the quality of food that we provide in Ontario.

We were so fortunate—I guess maybe fortunate wouldn't be the right word—we were blessed in the fact that our consumers could stand behind our beef industry when BSE first hit. When I look at other countries such as England, the industry was totally wiped out. I look at our industry, where we struggle, but we do struggle forward and we will be stronger in the end. I look to avian influenza and what that could do to our feather industry. Our supply management have been strong supporters of health and safety issues.

I know that, not only as the Minister of the Environment but as the Minister of Agriculture, Food and Rural Affairs, this has certainly been a consideration that you have always taken into consideration. When you talk about the product that is available, what can we do to ensure that our consumers know they have safe food and that we know and they know that they can be assured that the food they buy from Ontario is safe? Minister, could you please expand on our food safety standards.

Hon. Mrs. Dombrowsky: Food safety definitely is a priority for this government, but I think it has been a priority in the agriculture industry.

I know it won't surprise anyone at this table when I share with you that in my meetings with agriculture leaders and producers they have recognized that what makes Ontario products so very attractive in the marketplace, so marketable, is the safety aspect. We have the safest food in the world. Sometimes I don't know if our own Ontarians appreciate well enough exactly the wonderful quality of food that is produced right here in our own province.

Obviously, our government recognizes we have a responsibility to work with the industry as they continue to seek to ensure—with all of the pandemics we hear of out there in other countries, we need to be vigilant; we can never let our guard down in that regard.

I just want to share with you some of the initiatives that we have embarked on. First, again, we saw in the agriculture policy framework with the federal government that one of the pillars of that agreement is directly

related to food safety and food quality issues. So, partnering with the federal government, they are making resources available—and as the provincial government, we will as well—to provide and work with the industry on food safety issues.

At the federal level, I just want to say that the system development component of the food safety and quality chapter provides federal funding to national agri-food organizations to enhance their food safety and quality, and traceability systems. In the wake of BSE, I think we're going to hear more and more about the importance of traceability, and that is the notion that, from field to fork, a piece of food would be able to be traced to its origin.

Other investments that our government has made: We are committed to strengthening our food safety systems. We did proclaim the Food Safety and Quality Act and we introduced new and more comprehensive meat regulations. We established the Office of the Chief Veterinarian of Ontario, a position now held by Dr. Deb Stark. Her responsibility, of course, is to ensure that we are prepared in the event of a pandemic in other jurisdictions or even in our own, that we have contemplated how we are going to address that in our industry.

We have introduced a new practical food safety program for small- to medium-sized food processors called the HACCP program. This is the hazard analysis critical control program. I'm happy to say that I've had the opportunity to visit a number of food processing and feed processing facilities. They very proudly claim the HACCP credential. They recognize that this is something that is becoming known, not just within Ontario but nationally and internationally. They have embraced it with open arms, I must say. We have provided \$4 million to the Ontario Cattlemen's Association to help maintain deadstock collection and avoid environmental and health hazards. This was a particularly important investment in the wake of the BSE crisis. For very obvious reasons, it was important to the Cattlemen's Association that we make those investments.

I'm also happy to say that we have finalized emergency response plans with the federal government regarding foreign animal diseases. We are providing up to \$25 million over three years in transition assistance to the meat industry. As I've already indicated, with the specific risk-material issue, we expect the federal government will be bringing regulations forward later this fall. They have set aside \$80 million. We're going to do all that we can to get our share of those dollars to support our producers as they deal with the specific risk materials in the ruminant industry.

The Acting Chair: Mrs. Cansfield.

1430

Mrs. Cansfield: Minister, I'm going to preface my question with a few comments first. I was just on the steps of the Legislature where students from—if I can remember some—Afghanistan, Saudi Arabia, Pakistan, India, Cuba, Guyana, Ghana, Jamaica, Italy, Scotland and the Ukraine, just to say a few, were introduced to the

Legislature for the first time from a wonderful school called Kipling Collegiate, one of the 30 top schools in Canada. With those young people—and there are 54 countries represented in that school—comes their culture, and with their culture come their foods.

I go back to what you spoke about in your remarks around the Foodland Ontario program to buy Ontario foods and how we are working with the agriculture community to reach out to the various communities. Again, I know that some of it is happening. The greenhouse community, for example, is now producing far more peppers, tomatoes and cucumbers than ever before because of the increased demand from the various communities. You had indicated in your remarks that in the future, your ministry will look at ways that they can increase consumer appreciation.

We had, for example, in my community, a community picnic, and we invited rural Ontario to come in and meet urban Ontario to say—

Hon. Mrs. Dombrowsky: Yes, you did. It was so wonderful.

Mrs. Cansfield: It's true: Farmers feed cities. There's no question. What are your plans to continue to increase that kind of public awareness? I would be really interested to hear.

Hon. Mrs. Dombrowsky: Of course, I think Foodland Ontario is maybe the best example that we have as a province and as a program that really showcases the quality of our product. Assistant Deputy Minister Don Taylor has long been a champion of this program. Deputy?

Mr. Taylor: We could probably mention a few programs. Certainly the Foodland program, which promotes the consumption of domestic fresh fruits and vegetables, is an important program there, but it wouldn't be much good if the domestic fruits and vegetables didn't include the types of products that these people are used to from their homelands. So we work fairly hard, in terms of both our crop technology people as well as our research programs, to look at the adaptability of some of the different types of products outside of our traditional diets, I suppose, that we can grow here in the province and that producers could produce for these specialty markets. So part of that is on the research and development side, but part of it is also on the producer education side. They need to be aware of what some of these demands are, so we work fairly closely with them.

I had the pleasure of chairing a session at the Canadian Greenhouse Conference yesterday, and actually, that conference is organized by the greenhouse industry and our staff. They had a few speakers on the program that I was chairing who were talking about potential alternative crops for greenhouse production beyond the peppers, cucumbers and tomatoes that currently are the bread and butter of the industry, certainly a number of different what I would call exotic crops, I suppose, with my Anglo-Saxon tastes, that they were looking at that were in demand elsewhere in the world and would be in demand among some of the ethnic populations in Ontario,

which they were trying to provide more information on so that producers could potentially test them out and see how they work.

So a number of different programs are looking at trying to match the demands of the multicultural population in Ontario with what we can produce.

Mrs. Cansfield: So I'm anticipating, Minister, that you're saying this is ongoing and you'll continue to work with the agricultural community.

Again, agriculture is something I'm very interested in, obviously. I'll throw in another: the issue of milk production. Because again, how do you encourage people? We know, for example, that of every child just in the city of Toronto—and the school board feeds 60,000 of those children a day. The issue of poverty is high, but a glass of milk a day would supplement their food nutrients to a full complement. So what kinds of programs are you looking at, even on the dairy side or the other kinds of products, to maybe encourage different habits as well as continue with the existing habits?

Hon. Mrs. Dombrowsky: I'm going to ask the deputy to offer some comments on this as well, because this is a very important area that the Premier has actually identified—not particularly about milk, but the Premier believes very strongly that we must promote the quality and safety of our food products better than we do. We believe that when we educate and inform the people of Ontario that our food is the safest and the best quality, we're not going to have to rent billboards that say "Buy Only Ontario Food," but that they will make that choice on their own.

The Premier has also established, as we in this room know, the Ministry of Health Promotion. It will be Minister Watson's responsibility. He has a special table set up where other ministers—the Minister of Education, myself, and I can't remember all of the members on his committee—will be specifically tasked with understanding the role that our ministerial jurisdictions may have in promoting health in Ontario. We're really excited about that.

Specifically to your issue on milk in the schools, I just want to say that the Dairy Farmers of Ontario have long had a program underway where they go into schools and provide information around milk and milk products, and why it is so good for everyone to make sure they have milk and milk product in their diet. Also, the producer groups are working with government to ensure that that information is getting out there.

Is there more to do? Absolutely. I'm just delighted that we now have a new ministry at the helm to assist us in continuing to pursue this. Deputy?

Mr. Archibald: Just to add on to some of the points that the minister has made: If I can just say that the industry and the sector are often painted in terms of a lot of the challenges they face. There's no doubt that there are many, but it is also an industry that provide all kinds of solutions on all kinds of fronts: environmental areas and particularly in the health area.

With the creation of the new Ministry of Health Promotion, I think it's a real opportunity for us to continue to work with the various producer groups to look at those kinds of linkages. The minister mentioned the milk-in-schools program that the Dairy Farmers of Ontario participate in. There are other programs by the greenhouse vegetable producers in Essex-Kent providing healthy snacks for schoolchildren in co-operation with the school boards in those areas. There have been lots of advancements coming out of investment in research, through this ministry and other government investments and research, such as work on omega-3 fatty acids and the addition of DHA in milk as another advantage for consumers, children and adults in terms of consumption. There are a number of areas in health promotion where the ministry works co-operatively with our partners on the producer side as well that support research.

Mrs. Cansfield: It is true, and I think the other benefit is the economic benefit for the rural community. The best example is the story of the apples that were sent to an inner-city school in Toronto, and then they sent them back. They sent them to the school again, and they were sent back. They finally asked, "Why are you sending the apples back?" It was because the children didn't know how to eat an apple; they had never had one. When they taught the children how to eat them, they couldn't keep them in enough apples. Everybody won at the end.

Hon. Mrs. Dombrowsky: Do I have a couple of minutes left?

The Acting Chair: Yes, if you'd like to use them, or you can pass, if you like.

Hon. Mrs. Dombrowsky: I might just use that up and follow up on my colleague's comments around the need for us, as we move forward, as we look for ways to work with the agriculture industry, to promote healthy eating and healthy agricultural products in our schools; for example, that we are cognizant of some of the cultural issues that do not mean that we can't provide apples to schools. But there is another component that we have to consider, and that is to talk about where an apple comes from, why it is good for you, how you eat it—the wide range of ways that there are.

I think it speaks to the very good sense that the Premier has had in (1) establishing the Ministry of Health Promotion and (2) tasking that minister with collecting his colleagues who can help him move this forward to do that. We look forward to working with him.

I hope you don't mind that I intend to carry this input to that table as well. As we promote healthier lifestyles, exercise in schools, no junk food, I do think we need to be aware that there are some cultural issues that may require a range of considerations as we move this initiative forward.

1440

The Acting Chair: Mr. Barrett.

Mr. Barrett: I'll just follow up on Mrs. Cansfield's comments about milk. I attended a one-room public school and we really looked forward to these big, heavy bottles of chocolate milk. It was just delicious. I think it

really is an idea to be pursued with respect to apples in schools or perhaps other fruit.

My question around this—I suppose that any of the initiatives have been generated by the commodity groups—what role does the provincial government do in this? Where are we heading on this? To what extent have we penetrated the school system with a milk program or with an apple program, for example? What opportunities are there here and how can the province help out?

Hon. Mrs. Dombrowsky: I'm very happy to talk about the opportunities that I see to promote our fine agriculture products in schools across the province. As I've already indicated to Mrs. Cansfield, the Premier in his wisdom has established the Ministry of Health Promotion. Minister Wilson is tasked particularly to assist Ontarians to understand what they can do in their daily lives to improve their health circumstances. Minister Wilson has also been asked—I'm sorry, Minister Watson.

Interjection.

The Acting Chair: I turned to the researcher and said, "Is that me she's talking about?"

Hon. Mrs. Dombrowsky: Minister Watson is chairing a committee that is made up of myself, the Minister of Education and, I believe, the Minister of Health specifically to review what we can do in co-operation to promote healthier lifestyles and healthier living in Ontario. There is a lot of good sense in doing that.

You know the saying, "You are what you eat," so when you eat in a healthy way good, quality food, your chances of staying healthy are much better. We all understand why it is important that we would look to build a healthier society, because there are many published reports that would indicate that the pressures in the health budget in the years to come are going to be significant. So anything that we as a government can do of a proactive nature I think is very prudent.

Also, with respect to the health promotion ministry and the work that we're about as a government, it's an opportunity for myself as agriculture minister. I am connected with the commodity groups and the producers. I see this as an opportunity for them, through me, to promote the quality of the products that they work so hard to bring to the people of this province. So I believe that there is tremendous opportunity for the agricultural industry to be showcased, as we move forward in our efforts to have the people of this province understand how they can be healthier, and one way is by eating Ontario products.

Mr. Barrett: Another way is a brochure, but I really feel that biting into an apple for the first time or having a drink of milk—perhaps one hasn't been exposed to that in one's home country—would go a long way to further health promotion and wellness and, by extension, disease prevention in so much of our population. Again, I don't know about the logistics to be able to do this on a massive scale.

Locally, we've had a resurgence in farmers' markets. The farmers' markets existed in days gone by, then didn't

exist any more, and have come back. I'm just reading something in today's Brantford Expositor, a CP story. There's quite a foofaraw going on in eastern Ontario. Health inspectors supervise farmers' markets, and there's a kind of disconnect with respect to eggs.

As I understand it, farm gate sales of eggs are legal. These wouldn't go through a testing station or be graded, in my understanding. According to this article, farmers are allowed to sell ungraded eggs at their farms but are not allowed to sell these eggs at the local farmers' market, I guess because the distinction is that the farmers' market is classified as a commercial premise.

I see that Dr. Sheela Basrur, Ontario's top public health officer, has become involved in this. According to the newspaper, Dr. Basrur concedes that "the markets haven't been a problem. We don't as yet have any cases of food poisoning attributed directly to the consumption of products sold at farmers' markets." I understand as well that there is a track record there with respect to food safety.

I think this has been going on for a number of weeks. Where are we going on this one? Is there a role for the Minister of Agriculture to step in, or have you been involved in this? I think much of it's in eastern Ontario: Leeds-Grenville and Lanark District Health Unit.

Hon. Mrs. Dombrowsky: To Mr. Barrett: You would know that the inspectors who deal with these issues are the responsibility of the Ministry of Health. However, the products that are in question are agricultural products or processed agricultural products, so obviously it would be appropriate that our ministry be involved in that. I'm going to ask the deputy, because I think we do have a rather comprehensive response to this.

Mr. Archibald: You're right, Mr. Barrett, that there is a difference, particularly in the case of eggs, in terms of what an individual can sell off the farm to a member of the public. If they're transported to a farmers' market or some other public location for sale, they're subject to different types of regulation under the Ministry of Health. So there is a working group that's been established between that ministry, members of farm organizations and ourselves that is looking into that issue to try to resolve the challenges with that.

I think that, foremost, everyone would always say that public health is absolutely paramount and is the most critical issue, but I also recognize that there is an inconsistency in terms of how we look at this. That's why we're working with the Ministry of Health to try to come to some resolution on that issue.

Mr. Barrett: I recall another issue. It may have been earlier this fall. Perhaps this working group is looking at this as well. This isn't so much a food safety issue, or a direct food safety issue, as far as products that are allowed, if you will, in farmers' markets. I know there was concern about pop, colas—I guess I'll use the trade names: Coke, Pepsi, Jos. Louis—whatever that is; it sounds like it's the extreme type of junk food—processed food present at a farmers' market. I should know this, I guess. What are the criteria, or can you bring just about

anything into a farmers' market? Is there provincial oversight on this?

1450

Mr. Archibald: There is provincial oversight in terms of farmers' markets and the types of products. The requirements on the products that are brought forward are dependent on the material. If it's a prepared food, such as a baked good, in along those lines, there has to be a certain compliance in terms of their preparation in those areas. If it's a product such as an apple or a vegetable or something along those lines, the requirements are different. Again, it depends, and I think that's where some of the challenges arise. Is the farmers' market selling produce or food that was produced on a farm, or is it actually a prepared product? If it goes into that second category, it comes under a very different group in regulation and inspection requirements. I think that's where we're working to try to get that understanding throughout the industry and have a consistent approach to it.

Mr. Barrett: Thank you. Just to change gears a bit, I know our Chair wishes to ask—I think it's probably related to a local ethanol plant, or some issues like that. To take another two or three minutes—this certainly relates to labour. We know that agricultural operations will be coming under the health and safety act. I'm not clear whether that requires regulation, perhaps legislation; I'm not sure. I understand the timeline for implementation would be next spring. I'd just like to get some clarification on this.

I'm a past president of our local farm safety association. Speaking with one of our members, one of the regional coordinators for farm safety, they had a meeting, and they're concerned about a vacuum at this point. They're uncertain to what extent they should be continuing with their programs. I know we always had a traditional winter program and then a summer program. I think the concern across the province is that the farm safety association structure, the education and the information and accident prevention programs—is there a problem? Are they on hold right now while we await the new structure? Do they have the green light to continue as they have in the past? I know we're in a period of transition here.

Hon. Mrs. Dombrowsky: Just for clarification, when you speak of farm safety, are you speaking about farm safety as it relates to farm employees?

Mr. Barrett: I'm a past president of the Norfolk Farm Safety Association. We are a subset of the Ontario Farm Safety Association. Our job was information and education, primarily. I think the question that's come up—and I know much of this is under the Ministry of Labour, bringing agriculture under the health and safety act; there always was that connection with WSIB—where does this leave the various farm safety associations across the province in the interim? They seem unclear.

Hon. Mrs. Dombrowsky: Mr. Chair, Mr. Barrett is correct that in March 2004, the Ministers of Labour and Agriculture, Food and Rural Affairs announced that the government would work with the agriculture community

to examine how the Ontario health and safety act could be applied in farm operations. I'm following some very extensive consultations, and I would expect that groups like the one that you belong to, Mr. Barrett—a regulation has been made bringing farm operations under the Ontario health and safety act, and the regulation, as you've indicated, will take effect next June 2006.

We believe we have been very consultative in terms of dealing with both the labour sector and the agricultural sector. We are committed to ensuring that health and safety is addressed in all workplaces in the province of Ontario in all sectors. I believe the regulation, as it is written now, has been drafted based on the advice that we have received from farm and other groups on setting health and safety standards for agriculture communities.

Deputy, would you want to expand on that?

Mr. Archibald: The only thing I would indicate is that the funding for those organizations will be coming from the Workers' Compensation Board, but the actual activity of the various farm safety associations in your area of Ontario and other areas will really remain very much the same in terms of what is going to be asked of them in terms of helping to develop and promote farm safety awareness and education programs.

The Acting Chair: Could I just ask the committee's indulgence in the four minutes that are left in the Conservative time, if I could just ask my question from here? Anybody disagree with that?

Mr. Levac: Go ahead, Mr Chair.

The Acting Chair: Thank you, Mr Levac.

Minister, I just wanted to politely ask you what the holdup might be with Power Stream Energy. As you know, they have an option on the Nacan starch plant in Collingwood, where we lost 52 jobs. They would like to replace those jobs. I think you're very much aware of it. I wrote the Premier on August 31 and have not received a response yet. On June 3, I also wrote your predecessor, Mr. Peters, and I didn't receive anything from the ministry.

The last time I talked to the principals involved with Power Stream—it would have been about a week ago—they hadn't heard much either. As you know, they've received \$7.3 million from the federal ethanol fund. Their whole problem is that they need to move forward and they're kind of running out of cash in the meantime, because they're paying \$30,000 a month to keep the option open to eventually move into the Nacan starch plant and convert it into an ethanol plant. Can you give me some insight into what's going on?

Hon. Mrs. Dombrowsky: I expect that your question is really about the ethanol growth fund.

The Acting Chair: Yes.

Hon. Mrs. Dombrowsky: There are companies and co-operatives in the province that are interested in participating. Because we want to definitely get this right, we have had some challenge in getting this fund posted so that those who would like to participate can actually understand the parameters of the fund and how they can look to apply to the fund, what those rules are. However,

I'm very happy—and you can take this back—that we expect that by the end of the week the information around the growth fund will be posted.

I think for the group that you're speaking about—and certainly I know it applies to other entities that are interested in participating—they are all anxious to receive that information.

The Acting Chair: Can I just emphasize in particular here, the Ontario corn producers, in the notes of their annual general meeting on March 7 of this year, indicated that this is a great opportunity for the government to meet the fuel standard that you're setting. I think you're going to need this plant to reach the 5% standard by 2007 in terms of the capacity this plant could provide.

It's a little frustrating on the local level, and hard to explain to people, when the federal government made their announcement of \$7.3 million and we're three months behind them. So I'll take you on your word that this Friday there will be some clarification. Can you make an announcement this Friday? I'm certainly available.

Anyway, with that, I'll let you finish, and that's our time.

Hon. Mrs. Dombrowsky: I'm glad you brought that forward. I'm really intrigued with the comment you made that the corn producers in your area think that the establishment of this ethanol plant is a really positive thing for them.

The Acting Chair: Is which? Sorry?

Hon. Mrs. Dombrowsky: Is positive for them.

1500

The Acting Chair: Yes, it is. In fact, just to quote the Corn Producers' Association notes of March 7, "We anticipate that the Power Stream/Nacan ethanol facility could be the first new ethanol plant to begin production under the province's renewable fuel standard announced in the fall of 2004." So there is great anticipation there and we look forward to your further enlightening us in that area.

Mr. Levac: We're close behind you, though, in Brantford.

The Acting Chair: That's quite a competition.

With that, I've used up our time. Thank you, Mr. Barrett and Minister. I look to Mr. Hampton.

Mr. Hampton: I have a few more questions I'd like to ask. In the Liberal election platform of 2003, Premier McGuinty stated:

"Rural communities cannot thrive if they have to struggle to meet the basic needs of their citizens. Under the Harris-Eves government, that struggle is constant.

"Rural communities cannot thrive without a healthy agricultural economy. Under the Harris-Eves government, farmers have been leaving the land by the thousands, unable to earn a decent living."

Minister, my question for you is, after two years of the McGuinty government, are farmers today earning a decent living?

Hon. Mrs. Dombrowsky: I'm going to hearken back to comments that I made earlier with respect to how

unique the agriculture industry is, and it really is subject to two types of climates: the natural climate and the economic climate. I would offer to my colleague that I believe there are sectors of the agriculture industry in Ontario today that are doing very well. I also know that there are sectors in the agriculture industry that are struggling at the present time for the reasons that have been stated and restated here at this meeting today.

We recognize the challenge that some international policies present to some of the agriculture sectors in Ontario, but I am also pleased, as minister, to report that when I speak with agriculture representatives, there are sectors that are very pleased with the performance of their industry in recent weeks and months. There are sectors that are much more hopeful now about their industry or sector than they were a year ago.

As a resident of rural Ontario and someone who connects with rural people every time I get groceries or go to church or go for a walk in my town, what they say to me is that they're happy with the progress we've made to improve health care and the efforts and investments we've made to establish family health teams, protect rural schools, invest in rural infrastructure, build new water treatment systems, waste water treatment systems, and deal with some regulations that were absolutely onerous and almost punitive in rural Ontario, and I'm talking about Reg. 170. We worked very hard on a consultative basis in rural Ontario to deal with that.

There's no question that for some of the agriculture sector these are prosperous times and for other parts of the sector—and I think that this is not anything new. Maybe Mr. Hampton can think of other times when certain parts of agriculture do very well. If it's a dry year, certain sectors don't do well and other sectors do. So it can safely be said that in agriculture in Ontario there are many success stories.

Mr. Hampton: I take it, then, that you feel that under the McGuinty government, farmers are earning a decent living?

Hon. Mrs. Dombrowsky: I have some information that has been presented to me around net incomes for farm operations. Ontario realized net increases from \$51 million in 2003 to \$82 million in 2004. Cash receipts in Ontario increased by 2% from 2003 to 2004.

But if you just look at numbers alone, there was a particular sector that did exceptionally well in the year that I have identified. I think that we can also identify a sector in that given year that fell under some significant stress.

As I would like to say again, I believe that in Ontario there are agriculture sectors that are doing very well, there are sectors that have been challenged—and the challenge has lightened in the case of the cattle producers—and there are sectors that remain under pressure. I think the one we've probably talked about the most today is the grains and oilseeds sector, particularly corn producers.

Mr. Hampton: You refer to the fact that cash receipts for farmers may have increased. What you left out for

some reason is the fact that under the McGuinty government, expenses and costs for farmers are escalating far faster. I'm just using the Stats Canada information here. In 2002, the last real year the Conservatives were responsible for, total net income for farmers in Ontario was about \$356 million. In the first year under the McGuinty government, 2003, it declined to \$137 million. The next year under the McGuinty government, 2004, net farm income declined to \$126 million. This year, 2005, for the first time in the history of Ontario that anyone can remember, net farm income, as projected by Agriculture and Agri-Food Canada, will be negative \$194 million. In other words, farmers are losing an awful lot of money.

Hon. Mrs. Dombrowsky: Is that in Ontario?

Mr. Hampton: That's Ontario. So I'd ask you again, Minister: After two years of the McGuinty government, are farmers earning a decent living?

Hon. Mrs. Dombrowsky: Again, the information I have is that Ontario's farmers realized a net increase from \$51 million in 2003 to \$82 million in the year 2004.

Mr. Hampton: I think you are talking about receipts. I'm talking about when you factor in the increase in operating costs, when you factor in depreciation charges, when you factor in the value of their inventory and you look at total net income. These are net farm income figures for Ontario, as found by StatsCan and Agriculture Canada. It doesn't paint a very pleasant picture.

I want to read these comments by Terry Otto from the Ontario Federation of Agriculture executive committee. This is most recent:

"Many Ontario farmers are experiencing their worst fears—their crops are being harvested" now, "but returns from the sale of those crops will not cover the costs to grow them.

"It's been another year of declining returns for a number of crops, a situation created by world commodity markets and their response to highly subsidized crops in the United States and the European Union. Our farmers and their families just can't compete with the treasuries of those countries.

"Our governments provided some relief from a similar situation in 2004, and the Ontario Federation of Agriculture and its commodity partners are embarking on a campaign that will seek renewed government commitment. This campaign is based on the fact that Ontario agriculture is the basis for products and economic activity that keeps the province's economy and its citizens nourished."

One of the things they point out is:

"There are three key elements of the request: commitment to permanent risk management programs for 2006 and beyond; an initial risk management payment for the 2005 crop for farmers in need; and action by our provincial government to make the Ontario Ministry of Agriculture, Food and Rural Affairs a lead ministry with an increased budget."

1510

The last one should, I think, strike home with you. It was a promise of the McGuinty government to make the

Ministry of Agriculture, Food and Rural Affairs a lead ministry. The Ontario Federation of Agriculture is saying that will not happen without an increased budget. But I want to quote further:

"The suffering created by the income crisis in Ontario agriculture is reaching far beyond our farm families. The supply sector that delivers the necessary inputs to farmers to keep their farms operating is being hit with an increasing percentage of the farm debt—without an adequate income to pay expenses, farmers are left with mounting bills to pay.

"The supply sector should not be expected to carry this debt as farmers subsidize consumers and the food they buy. Farmers can't continue to sell their product for less than the cost of production. This is why we're going to our governments—it's a public crisis demanding a public solution."

Earlier this year the grain and oilseed farmers were told by your government, "Go out and do the consultations; hold your discussions." When grain and oilseed farmers wanted to engage other farmers in a discussion about the cost of production and covering the cost of production, your predecessor issued a press release basically saying, "This is not on. This is not going to happen." Tell me, do you have the same opinion?

Hon. Mrs. Dombrowsky: I'm very happy to restate—I've said this a number of times today—that I have spoken with the grains and oilseeds people. I've met with them in my office. I have met them at plowing matches and at farm shows. They are some of the finest people in this business of politics that I've had the privilege of dealing with. I have said to them—they came to me formally in my office, but informally as well—that we appreciate the circumstances in which they find themselves. I as minister am certainly prepared to, and I said to them that I want to, look at the proposal they have worked on. I was upfront with them. I said, "In fairness, you've brought me a set of numbers and I'm going to look at them carefully." They would expect that, as minister, I'm going to ask my folks at the ministry to crunch those numbers and get back to them.

I also want to remind the honourable member that in terms of this government responding to critical needs within the agriculture industry, even in the last year, if we only look at the last year of the McGuinty government, total program payments to producers in Ontario for 2004 were \$674 million. That figure is up from \$285 million in 2003. I just want to remind the member as well that that is up significantly from the average of about \$550 million that was paid in the late 1990s, early 2000. So I think our government also has established the record that in the agriculture community, when there are extraordinary pressures on a sector, we will be there to help them get through that.

In the comment that Mr. Hampton read from the representative of the Ontario Federation of Agriculture, he identified that a good deal of the reason for the pressure in certain sectors is a result of international policies, as I have indicated many times today, and I'm

happy to repeat it: Our government has made it very clear that for the first time in the history of the province, a Premier is going to push the federal government to act to level that playing field.

When I speak with agriculture people in my riding—they're farmers, they're processors—they say to me "This has really been on the table for a number of years, for maybe two decades." They are so encouraged to know that, finally, at the provincial level, there is a will to move this forward to advocate for our producers. As it has been indicated in what Mr. Hampton quoted from the member from the Ontario Federation of Agriculture, in some sectors the realities that some producers are dealing with are unsustainable. So we are committed to moving forward on that front as well.

Mr. Hampton: The question was fairly specific. The federation of agriculture and the commodity groups want to know, is the McGuinty government prepared to commit, first of all, to an initial risk management payment for the 2005 crop year for farmers in need, and then, following on that, are you prepared to commit in principle to permanent risk management programs for 2006 and beyond? I don't think that's a complicated question. Are you prepared to commit to the kind of risk management strategies that the grain and oilseed farmers have put forward, that the OFA is now putting forward, which are based upon the costs of production, so the farmers know, when they go into a crop year, that at least the costs of production or the average costs of production are going to be covered? Will you commit to that?

Hon. Mrs. Dombrowsky: It's unfortunate that Mr. Hampton doesn't understand our government has already committed to a long-term business risk management plan under the agricultural policy framework that we signed with the federal government that is known as CAIS and production insurance. We have already signed on to that. The agriculture community is very aware of our commitment to a long-term business risk management program.

We also understand from agriculture representatives that there are certain sectors for whom the way this, I would say relatively new, federal program has been laid out is not always meeting the needs and covering the production costs of agriculture producers.

I have also had the opportunity over the course of this day to outline, number one, the areas that have been acted on, and that is with regard to the deposit component or requirement that was in place that has been changed and, number two, this November, Ministers of Agriculture from across Canada will be looking at other ways to make the CAIS program more effective for the producers it is intended to serve.

With respect to commitment to a long-term business risk management program, our government has that. We also recognize that it is a program that we want to work, with input from our producer groups, to improve and make more effective for them.

By signing the agricultural policy framework, it has enabled our province to access \$1.7 billion that will be

directed to the agriculture industry in Ontario. We think that's a very good thing.

With respect to the second part of the question, that I've already answered on more than one occasion—maybe if I say it slowly enough you'll hear it—I have made it very clear to the grains and oilseeds sector, and to other sectors that have come with issues, that I am prepared to listen. I told them that I wanted to receive their presentation, that my ministry will be crunching the numbers. I've also indicated in my remarks today that there are other sectors that have similar requests for additional short-term support to address a range of issues, most I think that can be attached to or related to cost-of-production issues.

The Acting Chair: Mr. Hampton, there's about a minute left.

Mr. Hampton: My question now, then, is simply this: Has the McGuinty government reversed its position, since your predecessor, Steve Peters, was quick to dismiss the cost of the program that was being put forward by the grain and oilseed producers, their risk management proposal which he dismissed earlier this year? Are you now saying that the McGuinty government is in favour of that proposal? Yes or no?

Hon. Mrs. Dombrowsky: I am saying again that I have told the grain and oilseed association that I am prepared to review the proposal they have worked on. I'm not dismissing it, I'm not accepting it; I am reviewing it. I've given them my word that I would get back to them. I told them they could expect that, as minister, I will direct officials in this ministry to look at it very carefully, to crunch the numbers, and they had no problem with that. They expected that. It is my intention, hopefully within a very short period of time, to get back to them with a reply.

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The Acting Chair: Thank you, Minister. Thank you, Mr. Hampton. Ms. Mitchell?

Mrs. Mitchell: Minister, I have some questions with regard to the agricultural policy framework. But first of all, I want to thank you for addressing one of the concerns that I certainly heard loud and clear from our agricultural community, and that is by eliminating the deposit requirements. So thank you very much for that.

But what I have heard today is that you are prepared to work with your federal and provincial counterparts to address the issues that have arisen in CAIS by the administration of the program. You have issues such as inventory valuation, reference margins and the linkage between CAIS programs and production insurance. I wondered if you could just expand on that for me, the concerns that you've heard raised.

Hon. Mrs. Dombrowsky: I'm very happy to have the opportunity to talk a little bit more about CAIS. Again, it's important that I recognize the really strong efforts that have been put forth by Ms. Mitchell to bring what she hears in her community around the program and where it works and where it doesn't work.

Yes, I'm very happy to say that, as the Ontario representative at the national table, there was a good deal of resistance to the notion of replacing the deposit, but I'm happy to say that at the end of the day we were able to come away from that meeting with the understanding that the deposit for many producers and farmers was very onerous, that it tied up capital, and there was a distinct preference for a fee-based entry to the program.

You have also talked about some of the other issues that we have talked about at the national level. Because this is such an important program across the country, as Ministers of Agriculture from all the provinces, we recognize that typically we get together once a year and we deal with these. We felt it was absolutely important, along with the federal minister—and make no mistake, the federal government is a key partner. They do provide 60% of all the funds that are flowed to producers through the APF agreement.

With all the partners, we thought it was important to meet again in November. In the meantime, we have directed officials in all of our respective provinces to work co-operatively to address some of the other issues that you very appropriately advocate on behalf of the people you represent, such as inventory valuation; reference margins, particularly the issue in certain sectors in these times when there have been negative margins—it really skews the effectiveness of the CAIS formula; and also the linkage between CAIS and production insurance. You know that there certainly is a healthy debate and, I think, some compelling arguments that in order for a producer to perhaps qualify for CAIS, they should also participate in the production insurance component of the business risk management offering. These are issues that will be dealt with. We are also very open and happy to bring any other issues—Mrs. Mitchell, if you know of other issues in your community specifically related to CAIS that we should be talking about in November, I give you my undertaking today to take those with me to that meeting. The bottom line is that we see this business risk management program as essential to supporting the agriculture industry long-term in Canada. I hope that's helpful.

Mrs. Mitchell: It certainly is helpful. I know that with any new program, it does take time to work your way through, ironing all the bugs out, as they say. Do you have the numbers available that were paid out in the past year in the different commodities for CAIS?

Hon. Mrs. Dombrowsky: I'll just find out if we have that at our fingertips. Deputy?

Mr. Archibald: I'll ask Jim Wheeler to respond.

Mr. Wheeler: We have two different reports. The one I've got in front of me talks about all the claim forms and the processing that has been done. I can compare this year to last. We've found that roughly 40% of producers in the province who have received some income stabilization benefits in each of the two years that have been processed, for the 2003 business year and the 2004 business year. By commodity it varies somewhat. Feedlot cattle were very high for 2003 and they will be for 2004

as well; 80% of the feedlot operators would have received some CAIS funding. In other sectors it would be around 25%, but it varies considerably. It does depend on the income situation of that commodity and the other commodities that that farmer has, because it's not a commodity-specific program; it's the whole farm. Those figures can be misleading in any event because they're reported by the major type of farming that takes place in that business. It's a mix.

The processing last year was \$169 million, almost \$170 million, that has been paid to date, and we're just finishing up the last few files from what will seem like a long time ago, the 2003 business year. That information came in last summer from most people. We extended deadlines, and that gave them more time to get us information, more time for people to enrol late, and we've now got just a couple of hundred applications left to go there; 27,000 files have been processed, and total payouts have been \$170 million, federal and provincial.

For the 2004 program year, we currently have received 26,000 and a few hundred forms, so active files. A little over 9,000 of those have been processed this year. The deadline to get their information in was back in July. So, \$63 million has been paid out so far this year. There were a number of files that came in much earlier this year, and I think that's because of familiarity with the program and appreciation that the program does provide benefits to those people who are having a worse year than usual.

The CAIS program is providing benefits to people who in their whole farm operation have a worse year than normal. I think sometimes the expectation that people have for CAIS is that it will provide funding for every producer, like some previous programs did. Some of the predecessors to CAIS provided funding more on an entitlement basis to everyone who was in the agricultural business, and CAIS is designed to help those who have a need in a particular year. Those are some of the numbers on payouts.

In terms of processing, we're advanced this year ahead of where we were a year ago in processing claims, so the money is flowing more quickly. We also already have a few files in for people whose business year ended in 2005, prior to this. Most farmers' business year end is December 31, but we have 71 files already opened up for 2005 and are processing those. We're ahead of where we were in previous years.

Mrs. Mitchell: So you have 200 applications still, Jim?

Mr Wheeler: Two hundred and some from 2003, but most of those are where we've been asking for information and haven't got it. We won't ever be able to close some of those off. In 26,000 or 27,000, there are going to be a few where we just never get the follow-through.

Mrs. Mitchell: So generally you're finding that the process is moving much more smoothly now, that there's a better understanding of the information that's required, and moving forward in more of a whole-farm. I don't

know whether that was understood well enough at the beginning.

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Mr Wheeler: The whole-farm aspect of this program is being better understood. That means that for someone who has a hog and cash crop operation, if the hogs are making money and the cash crop isn't, they still may not qualify for a CAIS payment if, overall, their farm operation is equal to what it has been in previous years. But for those people who have a drop in their reference margin, it provides benefits.

Mrs. Mitchell: I know, certainly from my riding, that there have been numerous concerns raised on CAIS. The deposit is a good start. I certainly am very appreciative that it's recognized and reflected in your opening comments. So I thank you for that.

Do you find generally that the other provinces support the position collectively? Is there a united voice that's coming forward on the concerns? Not specifically, but two or three points.

Hon. Mrs. Dombrowsky: I was privileged to attend the meeting of agriculture ministers about a week after I had been sworn in as minister. I have to say it was somewhat of a baptism by fire, but it was a tremendous learning experience. I have to tell you, I had been very well briefed by staff at the Ministry of Agriculture, Food and Rural Affairs, as I'm sure you would expect, but it was when I arrived at the meeting and had the opportunity to sit down and talk face to face with minister colleagues from across Canada that the messages I had received from staff were really affirmed and reaffirmed. It was also interesting to identify that there are certain issues where some provinces agree that this is a good thing, and even on the deposit issue, as I have already indicated in my remarks today, there were some provinces that I believe put forward compelling arguments for maintaining the deposit. However, at the end of the day, I believe that those arguments around issues like affordability and sustainability, particularly given the crisis that the beef sector had experienced, and even grains and oilseeds—there was a sense that perhaps it was better to move from the deposit to the fee system, and that is in fact what has happened.

While on so many of the issues we have some common ground, I think that it was also an opportunity for me to appreciate how diverse the agriculture industry in Ontario really is. It is the most diverse of any province in Canada. There are provinces that are particularly interested in beef and/or grain production, yet had absolutely no fruit and vegetable or wine industry to speak of. So I have to say that while it was a learning experience, I also was able to bring some value to the conversations that we had, particularly from the input that we received from our industry partners, our agriculture partners.

Mrs. Mitchell: I'm sure that your voice at the table is one that goes forward with so much balance when you have so many different types of the industry located within your province. I know that the other agriculture ministers will certainly value your input.

That then leads to my next question. I know that you realize how important the agriculture industry is to the province of Ontario, and you have always been and will continue to be a very strong advocate for that. When it comes protecting our farmland, I know that you are very anxious to expand on the need to protect our prime farmland as we move forward to ensure that we remain a very strong province.

Hon. Mrs. Dombrowsky: I'm happy to offer some remarks on this particular issue, and I'm going to refer directly to the greenbelt legislation that our government passed. I believe it's a defining piece for this government. I believe it's a legacy piece for generations to come that there will be a greenbelt and protected area around the greater Toronto area.

There's no question that whenever a government moves to act in a significant way, there's always lots of controversy. I found it interesting, though, when I was first elected as a member of the opposition and had the chance to sit down and talk with OFA representatives in my riding, that one of them sat across the table from me and said, "Do you know the best crop we're growing in Ontario today?" I said, "What would that be?" He said, "Houses. We are losing our farmland by thousands of acres every year to houses. Land is being paved over—good farmland, the best farmland." When you consider that over half of the best arable land in Canada is located right here in Ontario, I do think that we have a responsibility to future generations to protect as much of it as we possibly can. Hence, as members in this room know, came our greenbelt legislation, and not without some significant debate. But I have always and will continue to maintain that this piece of legislation was the best thing we did for agriculture in Ontario and, I would even offer, for agriculture in the greater Toronto area.

Out of that initiative, out of that legislation and as a result of this now being law, we have the development of the greater Toronto agricultural plan. The OFA groups of those regions in the GTA worked co-operatively, with I believe an \$800,000 investment from the province of Ontario, to establish an agricultural plan for the GTA. Obviously, in the greater Toronto area there is an understanding of the need to plan for the future, for how we can best position ourselves to continue to provide quality food products for not just the people who live here now, but for the many new Ontarians who we expect will come here and seek to make a life in this great province over the next decade or more. It's an initiative that I'm very proud of as a member of the government. I'm very proud that the Ministry of Agriculture, Food and Rural Affairs has been working with agricultural groups in the greater Toronto area to establish a sound plan.

We've also established the Greenbelt Council. We've provided a one-time \$25-million investment, again to consider, going forward, how we can ensure that this protected area serves and meets all of the needs of the people in our communities.

Mrs. Mitchell: With the greenbelt area, it gives wonderful marketing opportunities for the agricultural community that is located within that, and the fund will certainly go a long way in helping to develop the proposals as they come forward.

One of the things when I was first elected from a municipal background, as you know, Minister, was the protection of the farmland. In my riding this has been something that has been ongoing for a number of years: what is appropriately saved and what should be used as development. I support moving forward in this direction very strongly as well, because without the protection of our farmland, we must ensure that the agricultural community has the ability to plant their crops on land that is appropriately designated. So I also strongly support this.

One of the other things is that it dovetails very nicely into nutrient management. I know we don't have much time left, but what I'm hearing from my riding is that nutrient management regulations are being met and moving forward. Certainly, the agricultural community has always been and will continue to be very good stewards of our land.

Minister, I know you don't have much time left and that this is a subject near and dear to your heart—but nutrient management.

Hon. Mrs. Dombrowsky: Very quickly, Mr. Chair, I'd offer this comment that I'm glad to hear the positive reports around nutrient management. I would also like to offer some compliments to our agriculture partners, to the producer groups and the federations who have been working with us and who I think have very effectively advocated for the agriculture community: where the challenges are going to be; what we could do to allay some of the concerns out there.

I think the remarks shared by Mrs. Mitchell just demonstrate that this is an example where we have agriculture partners working with government to make this happen because they know it's the right thing to do.

The Acting Chair: Thank you, Minister.

I believe we have the agreement from all three parties that, rather than start another round with the few minutes we have left today, the committee will adjourn until Tuesday, October 18, at 3:30 or after routine business. Thank you very much, and pleasant days.

The committee adjourned at 1540.

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